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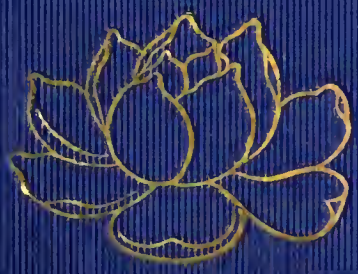
WILSON LEON GODSHALL



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Panoramic View of Tsingtau from the Hills

TSINGTAU UNDER THREE FLAGS

BY

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To

MY PARENTS

IN GRATEFUL APPRECIATION

242241

PREFACE

UPON the publication of *The International Aspects of the Shantung Question* in 1923 the need for a more extensive survey of the international and administrative status of Tsingtau and the Kiaochow Leased Territory was demonstrated. The present volume was undertaken in order to supply such a survey, incorporating a revision of the earlier treaties with such additional material as it has been possible to collect. Much of the material contained herein, hitherto unpublished, has been difficult of access, and much more has not been available, so that this study cannot be regarded as conclusive. The contemporary nature of the subject makes it impracticable to cite all the sources of information, some of which must be held in confidence. Despite the obvious shortcomings of the presentation of Tsingtau's history as a port and leasehold and as a foreign-built municipality now governed by China, it is hoped that some light may have been shed upon the question of China's ability to govern in approved Western style. However, it must be borne in mind throughout the reading of the criticisms of Chinese administration that present-day conditions in China hardly warrant expectations of efficient government and that the evidence furnished by the example in hand cannot in fairness be considered completely indicative of ability or lack of ability on the part of Chinese administrators. While undergoing nation-wide convulsions of nationalism, the Chinese

naturally have paid proportionately little attention to so small an area as Tsingtau. Reasonable political stability must be attained throughout the Chinese nation before much can be accomplished in the application of the principles of the science of politics. Nevertheless, the city of Tsingtau and the Kiaochow Territory present an interesting and important problem because they represent China's first experiment in the administration of restored territory populated by foreigners and Chinese alike. The diplomacy of the restoration has been treated in considerable detail in an effort to reveal underlying considerations and motives.

Without the friendly and valuable assistance of many scholars and statesmen in the Far East this book could not have been written. Their number precludes the possibility of individual acknowledgment here, but I take this opportunity to express my indebtedness to all those who in any way contributed towards the completion of this study. However, Professor Harley Farnsworth MacNair, of St. John's University, Shanghai, and at present lecturing in the University of Chicago, has so laboriously proof read the manuscript and has so faithfully guided me through the maze of Chinese politics that separate and special acknowledgment must be made. Likewise, the collection of material in China and Japan would not have been possible without the encouragement of the dean and faculty of the Graduate School of the University of Pennsylvania in awarding to me the first Penfield Fellowship ir International Law and Diplomacy. Professors James T. Young, James C. Ballagh, Clyde

L. King, Harry T. Collings, Roland S. Morris, and Charles H. Maxson, of the Department of Political Science of the University of Pennsylvania, have at various times rendered much-needed advice and stimulating suggestions both in the preparation of the earlier study and in the writing of this work. Whatever success may greet the author in his journeys through the windings of international politics is in large part due to the inspiration derived from these teachers of men. But whatever shortcomings and errors of commission or omission are revealed by a reading hereof are attributable to the frailty of the student in his inability to profit to the fullest extent by their teaching.

The index was prepared by Annetta Metcalf Godshall, to whom I am indebted also for constant and willing coöperation in the preparation of the entire manuscript.

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CHAPTER I

INTRODUCTORY

TSINGTAU UNDER THREE FLAGS

CHAPTER I

INTRODUCTORY

"EAST is East and West is West, and never the twain shall meet."[1] This expression has been heard on every hand until its very reiteration tends to give it a basis of fact. The implication is that somewhere on the continent, which for convenience has been divided into two parts, called Asia and Europe, there lies an arbitrary line, on one side of which is East and on the other, West. This erroneous conception of the true situation is analogous to the schoolday idea that the eras of history were distinct periods of time, cut off from immediately preceding or succeeding periods by partitions in the shape of absolute dates. The absence of any specific spot at which one may stand and find Asia on one hand and Europe on the other is strikingly illustrated by the ten-day trip on the Trans-Siberian Railway from Moscow in European Russia to Harbin in Russian Manchuria. As one crosses this large continent it is not possible to observe any abrupt change in the people or in the physical nature of things. The blending is quite gradual, as

[1] Kipling, Rudyard, *Ballad of East and West.*

is the succession of the seasons of spring and summer. There is a fixed date upon which spring is said to be transformed into summer, but no one seriously can maintain that a very pronounced change takes place on the twenty-first of June. Who can state positively where the first ends and the second begins?

There has been contact between East and West throughout history. Caravan routes were maintained between Egypt and China. In the Bible, reference is made to the land of Sinim, meaning China. Asiatic institutions and discoveries form a large part of the daily lives of people living in Europe and America. Porcelain, silk, and cotton first were introduced from the East. The Chinese have been masters of the science of agriculture for centuries, contributing countless varieties of flowers, fruit, and vegetables. The invention of gunpowder and of the mariner's compass materially aided Western civilization. In the sciences of astronomy and mathematics Western scholars have followed the lead of the East. The guild and the apprentice system for workers in the crafts spread into Europe and thence into America until, in the West, it was largely disrupted by the Industrial Revolution.

In the fields of philosophy and religion the West must look to the East for great contributions. Each of the leading religions of the world was expounded first in the East, Far or Near. All are aware of the Oriental origins of Buddhism and Taoism. Confucius, the great Chinese philosopher, was born in Shantung province about 551 B.C., the English spelling of his name resulting from an effort of early missionaries to secure a phonetic equivalent for Kung-fu (Kung, the

father) -tse (of teachers).[1] During the lifetime of Mohammed his teachings were followed in China as in Asia Minor. There is said to be a tomb in Canton marking the burial place of an uncle of the Prophet of Allah. Christianity is Asiatic in origin, although it since has come to be regarded as a Western religion.

Our reading of history informs us of the Hun invasions of Europe during the closing years of the Roman Empire. These Asiatic tribes were successful in penetrating to the very borders of the Empire and in some instances beyond, as the Roman legions were unable to defend the vast frontier. Attila was able to make himself master of wide stretches of territory in central Europe. The Magyars of Hungary are present-day descendants of the Huns. The Avars, kinsmen of the Huns, invaded the regions to the north of Attila, occupying territory lying between the Danube and the Don River, until they in turn were dispossessed by other Asiatics. Ancestors of the Bulgars and of the Finns settled in the Balkan Peninsula and Finland, respectively. The Mongol ruler, Genghis Khan, marched westward as far as the Dnieper River early in the thirteenth century, and Mongol generals forced their way into Poland and Silesia. The Mongols were followed by the Tatars, whose invasion was marked by every conceivable form of cruelty. With the rise of Mohammedanism among the Arabs in Asia Minor there developed a passion for conquest. Accordingly, the Arabs set out to spread their faith, showing clemency to all who were willing to be converted. In this way

[1] Williams, M. O., *Descendants of Confucius* in *National Geographic Magazine*, March, 1919.

a comparatively small number of Mohammedan Arabs succeeded in controlling Asia Minor and Egypt and began to extend their influence along the southern shores of the Mediterranean Sea. This expansion continued until only the Strait of Gibraltar separated the Arabs from Europe. The story of the Saracen conquest of Spain is well known. The Moors, descendants of the Saracens, became more advanced in learning and civilization than their European neighbors. Mohammedan expansion across the Pyrenees into France was checked by the victory of Charles Martel at Tours and by the outbreak of difficulties in Africa which occupied the attention of the invaders. Other tribes of Asian origin made their appearance in Italy, Germany, and the British Isles. Turks from the borders of the Chinese Empire overpowered the Arabs in Asia Minor and Africa and extended their conquests into the Balkan Peninsula, including the capture of Constantinople in 1453. From this brief review of Asiatic invasions throughout a period of one thousand years we can observe to what extent those peoples penetrated into Europe and intermixed with Celts, Goths, Latins, Slavs, and Teutons.

On the other hand, there have been European invasions of Asia. Alexander the Great led his Greek armies into India and Hindustan. However great his military achievements, Alexander's vision of a vast Eastern Empire ruled from Athens failed to materialize. The military genius of Rome brought parts of Asia under control but without any lasting success. The crusades were undertaken in moments of religious zeal to drive the Mohammedans from the Holy Land. None

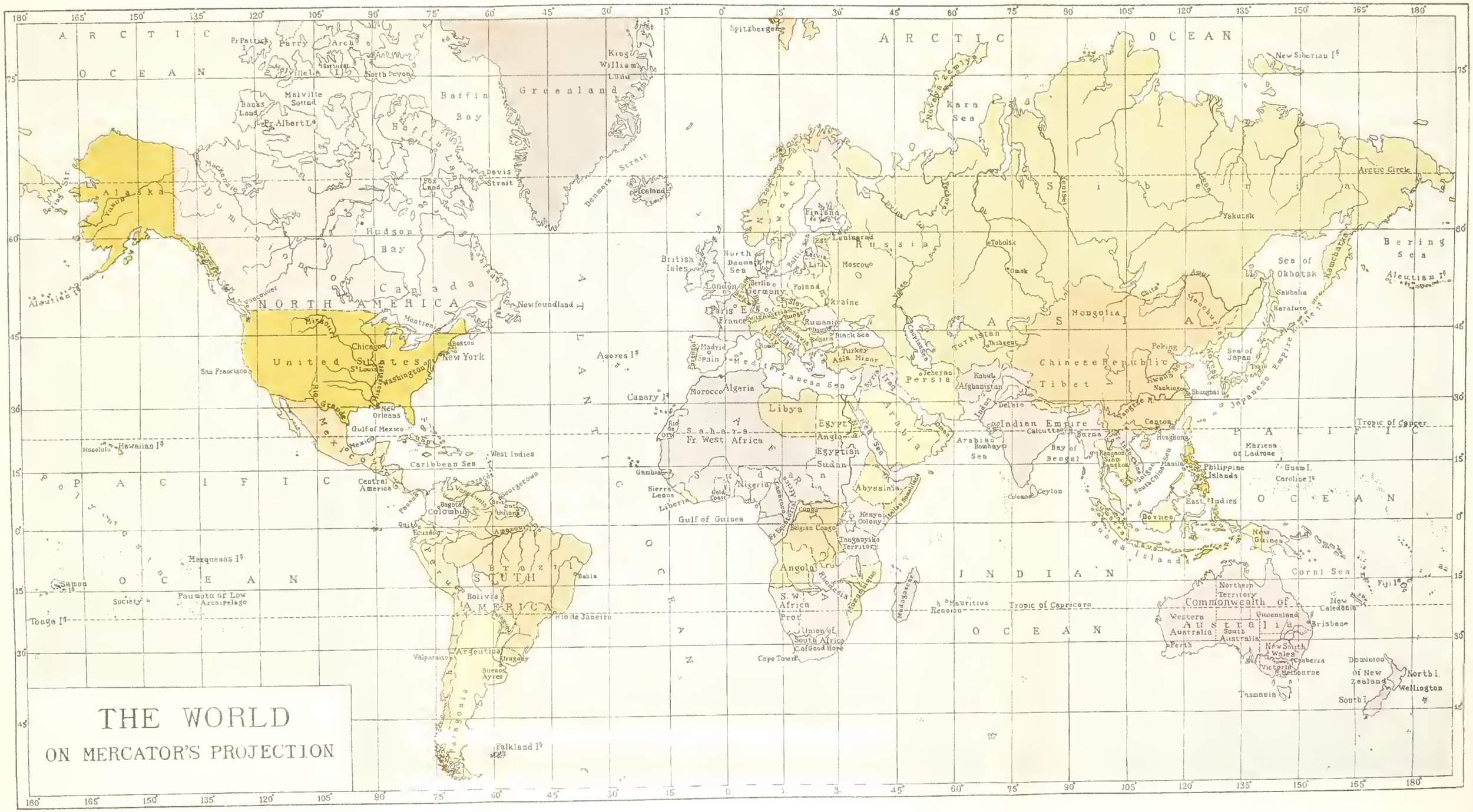
of these three armed invasions of Asia has had more than a temporary superficial effect. The psychology and life of the Asiatics was untouched by outside pressure. As has been the case in the Chinese Empire, the tendency of Asia has been to absorb and assimilate the invaders rather than to be influenced greatly by the introduction of new thoughts and methods. Many Chinese to-day are of the opinion that an attempt by Japan to expand into China will, within a few generations, result in the complete assimilation of the Japanese by the Chinese. The last European invasion of Asia is still in progress, with religious, commercial, and political phases.

"The contact of European civilization with the peoples of Asia and Africa and the American continents makes sad reading for the man of justice"[1] is a fitting condemnation of the policies of military aggression and economic exploitation pursued by the avowedly Christian powers of the West in their relations with the so-called primitive races with which they came in contact. China proper had taken no part in the invasions of Europe but had grown into an isolated nation by reason of her geographical location and the inclination of her people. Aliens from the north were effectively excluded by the Mongolian deserts and the Great Wall, constructed during the Ch'in dynasty, about 220 B.C., and extending from the Gulf of Liaotung at Shanhaikwan to Kansu province in the interior. Mountain ranges served as barriers in the West and the South. The remainder of the boundary of the empire was the Pacific Ocean, beyond which

[1] Reid, G., *China, Captive or Free?* New York, 1921, p. 1.

the nearest neighbors were Korea, Japan, and the Philippine Islands. This natural seclusion was augmented purposely and deliberately by the creation of a series of vassal buffer states. According to both Chinese and Korean tradition, several Chinese emigrants entered Korea in 1122 B. C.,[1] forming a nucleus for the dissemination of Chinese culture and influence. The Liuchiu Islands, extending from Formosa to Japan, became tributary to China in A. D. 1372, and continued to recognize the suzerainty of the emperor of China until Japan took possession in 1881. Tibet, with one million square miles and but three million inhabitants,[2] was conquered by Chinese armies in 1720 and since has been nominally a part of China. Nepal, Laos, Sulu, Burma, and Annam were reduced to the status of tributaries, thus completing the insulation along the southern and western frontiers. Mongolia is an extensive plateau of one million three hundred seventy thousand square miles with a scattered population of about two million.[3] From this region have come the nomadic Mongol tribes which at various times so disturbed the peace of both Asia and Europe. China managed to secure a recognition of nominal suzerainty over these people which, in the main, still exists. Manchuria, with an area of three hundred fifty thousand square miles,[4] originally was the abode of various tribes of Tungus people sparsely distributed along the rivers. One of these tribes was the direct ancestor of the famous Manchus who ruled the Chinese Empire from 1644 to 1911.

1 Griffis, W. E., *Corea, the Hermit Nation*, New York, 1882, p. 14.
2 *China Year Book*, 1924, p. 589.
3 *Id.*, p. 569.
4 *Id.*, p. 583.


THE WORLD
ON MERCATOR'S PROJECTION
ARCTIC OCEAN
PACIFIC OCEAN
ATLANTIC OCEAN
INDIAN OCEAN
NORTH AMERICA
SOUTH AMERICA
Alaska
Canada
United States
Mexico
Greenland
Iceland
Baffin Bay
Hudson Bay
Gulf of Mexico
Caribbean Sea
Central America
West Indies
Colombia
Brazil
Bolivia
Argentina
Uruguay
Falkland Is
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Russia
Finland
Sweden
Norway
British Isles
France
Spain
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Poland
Ukraine
Rumania
Turkey
Asia Minor
Black Sea
Caspian Sea
Mediterranean Sea
Algeria
Morocco
Libya
Egypt
Anglo-Egyptian Sudan
Abyssinia
Kenya Colony
Tanganyika Territory
Belgian Congo
Angola
Rhodesia
Union of South Africa
Cape Town
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Manchuria
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Tasmania
New Zealand
Fiji Is
Samoa
Tonga Is
Hawaiian Is
Marquesas Is
Society
Paumotu or Low Archipelago
Aleutian Is
Bering Sea
Sea of Okhotsk
Sea of Japan
Arctic Circle
Tropic of Cancer
Tropic of Capricorn
Japanese Empire
Dominion of New Zealand
Coral Sea
Gulf of Guinea
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Fr. Equatorial Africa
Madeira Is
Canary Is
Azores Is
Iceland
Spitzbergen
New Siberian Is
Caroline Is
Guam I.
Marianas or Ladrone
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Shanghai
Nanking
Peking

The hegemony of the Far East thus attained led the Chinese to a feeling of self-complacency and superiority over other nations. The coming of Europeans occasioned no change in this feeling, the Chinese having acquired the habit of looking down, from their pedestal, with benevolent toleration upon all foreigners. An understanding of this attitude and of the reasons behind it will enable us to comprehend more clearly why the Chinese officials and people regarded all foreigners as "barbarians" and expected them to exhibit fitting respect and veneration for a superior race and culture. To cite but one example of the application of this viewpoint, the British embassy to Peking in 1816 failed because Lord Amherst, representing the person of King George III, refused to kotow before the emperor of China. The Chinese considered this refusal an indication of the absence of proper respect for the Son of Heaven. On the other hand, the Europeans considered the Chinese as heathens and barbarians, partly because of the extreme punishments which were meted out for minor offenses, and likewise would have resented the refusal of a Chinese embassy to a Western court to pay accepted and proper respect to the ruler. Only by examining subsequent events through the eyes and from the viewpoint of China as well as from the point of view of the West can we arrive at a fair and correct conception of the problems which arise.

Marco Polo reached Mongolia and China by the overland route in 1271. He became very popular with the Chinese and held several high official positions under

Kublai Khan.[1] After seventeen years' service and residence in various parts of the Chinese Empire, Marco Polo was selected as an escort to a Mongol princess whom Kublai was presenting as a consort to the Persian khan. Upon the successful completion of his mission he returned to Venice in 1295, giving his countrymen their first true knowledge of the Far East.[2] During the succeeding one hundred fifty years the Venetians engaged in a lucrative trade in spices and silks brought overland through Asia to the shores of the Black Sea and thence by water through the Bosporus and the Dardanelles to the Adriatic. The capture of Constantinople by the Turks in 1453 abruptly checked this commerce, and, as the European demand for Chinese goods had grown to large proportions, it became necessary to seek other practicable routes.

Consequently, the rounding of the Cape of Good Hope by Bartholomeu Dias was hailed with great joy by other Europeans as well as by the Portuguese, offering as it did the possibility of evading the troublesome Turks in Asia Minor and the Balkan Peninsula. The Portuguese were the first Western people to reach India by sea. Their ships soon established regular trade routes and their masters and crews became the criterion by which all Europeans were judged, just as we in America, even in this enlightened age, are

[1] Khan is the title of royalty used by the Mongols. Kublai Khan became the emperor of China in 1280 after having forcefully ousted the Sung dynasty. He established the Yuan (or new original) dynasty, signifying the beginning of a new régime.

[2] *The Book of Ser Marco Polo*, first printed in 1477, still is considered the greatest contribution of any one person to the geographical knowledge of the Middle Ages. Because of his elaborate description of things he had seen and done, Marco Polo was known in Europe by the nickname of "Mr. Millions."

inclined to form impressions of the Chinese from our association with certain laundrymen of that race, of the Italians from observation of section gangs of workmen on our railways, of the Asiatic Indian as a snake charmer and fakir. Needless to say, conceptions of a race or people gained from such contacts usually are erroneous and do a great deal of harm in forming and spreading ill-founded prejudices. In such soil is sown the seed of groundless suspicion and ill feeling between nations and, ultimately, complicated international situations. The actions of the Portuguese more resembled those of the notorious Turks than those of citizens of a supposedly civilized and Christian state. Vasco da Gama is reputed to have committed atrocities on civilian populations quite comparable to those attributed to the Germans in the World War, and the peoples of Calicut[1] and other Indian coast towns came to look upon all Europeans as barbarians.

Under the encouragement of Pope Alexander VI, who had issued a Bull of Demarcation allotting certain portions of the earth to Spain and Portugal, religion added zeal to the program of commercial exploitation. Portuguese governors at Goa and Malacca[2] characterized their administrations by the cruelest persecution of Hindus and Mohammedans. Occasional individuals, like Governor Botelho, tried to remedy the extreme abuses which were practiced, but they received no support from their government, which upheld the religious and commercial extremists in their methods.

[1] Not to be confused with Calcutta at the head of the Bay of Bengal. Calicut is located on the southwestern coast, south of Goa and Bombay.

[2] On the southwestern coast of the Malay Peninsula.

Using Goa as a base, Portuguese adventurers explored the eastern shores of Asia. Fernão Perez de Andrade reached Changchuen, or St. John's Island, in the delta of the Canton River in 1516 or 1517[1] with eight armed ships, two of which were permitted to sail up the river to Canton. Other squadrons arrived from time to time, but the crews made themselves so obnoxious[2] that they quickly incurred the dislike of the Chinese. St. Francis Xavier reached India in 1542 on a missionary pilgrimage and proved to be one of the few worthy exponents of the Christian faith in Asia. He branded the Portuguese settlements as degrading and immoral, his account of conditions supporting the oft-repeated assertion that missionaries had best minister to their own peoples before attempting to preach to Asia. Xavier wished to spread the Jesuit faith in China, but his countrymen had so exemplified the practice of Christianity that the Chinese authorities declined to permit further dissemination of similar doctrines, and he was not permitted to reach the mainland. Accordingly, he took up residence on San Cian Island, near Macao, where he died in 1552. Thus passed one Portuguese who would have given the Chinese a more wholesome conception of Europeans and of Christianity had not his countrymen made it impossible for him to do so. Macao became a *de facto* Portuguese colony, although the Chinese government persistently refused to recognize it as such. Until 1849, an annual rental was exacted, but in that year the

[1] Authorities are not agreed upon the date of this voyage.
[2] It became the habit of the Portuguese to kidnap Chinese maidens aboard their ships.

Portuguese authorities abolished the Chinese customhouse and renounced Chinese claims of ownership.

During the reign of Philip II of Spain his ships encircled the continent of South America and continued westward to take possession of the Philippine Islands in 1565. In these islands, Spanish and Chinese merchants first came into direct contact. Despite subsequent efforts of Spain to trade directly with China, effective steps were taken by the Chinese officials, at the instigation of the Portuguese, to insure their failure. Spanish trade therefore was confined to Chinese goods carried in junks to Manila and transshipped into Spanish vessels.

Dutch interest in the East took positive form in the creation of the Dutch East India Company late in the sixteenth century to monopolize the trade of the East Indies. From there it was an easy step toward the north to the rich trade opportunities in China, but the Portuguese resolutely opposed any interference with their monopoly at Canton. Formosa became a Dutch base for trade with Japan and stray junks from Chinese ports. Embassies were sent to Peking, complying with all Chinese ceremonials, but no valuable concessions were secured. The Hollanders seem to have erred in conceding too much to local customs, just as the embassies of other European states may have erred in not conceding enough. The Chinese apparently despised the Dutch for their subservience, and disliked but respected the British, for example, for their obstinacy.

England made its first attempt to establish relations with China in 1596, but the ship and all its crew was

lost at sea. In 1621, an agreement seems to have been made whereby English merchants were to be allowed free trade with China, but Portuguese opposition probably was responsible for the barren results. The British East India Company made various attempts, with more or less success, to trade at Canton during the eighteenth century. Outside merchants participated upon securing a license from the company. The Chinese government had a monopoly of its own, known as the Co-hong,[1] through which all foreign traders were obliged to transact business. Missions were dispatched to Peking, but the kotow always presented an insurmountable difficulty. During the nineteenth century the situation began to assume international aspects. The abolition of the English monopoly in 1834 seriously complicated things by creating more points of contact. Where a few foreign merchants and agents previously had done business with a few Chinese merchants, there now was no such limitation. The Chinese had cause to complain against the actions of the foreign traders, just as the latter had grievances, the chief point of irritation being the opium problem. Regardless of prohibitory edicts, merchantmen continued to import Indian opium. Smuggling became rampant, aided by the corruption of Chinese officials. The Peking government decided upon a policy of suppression of the traffic, the outcome of which was the first Anglo-Chinese War in 1842, the English government supporting its nationals engaged in smuggling.[2]

[1] For a full account of the Co-hong, see Hunter, C. W., *The Fan-kwae at Canton Before Treaty Days, 1825–1844*, London, 1882.

[2] See *The War Against Opium*, published by the International Anti-Opium Association of Peking, Tientsin, 1922.

One result of the conflict was the acquisition of Hongkong by Great Britain. Another was the forced opening of certain ports to trade. A series of outrages perpetrated by Chinese who were unwilling to accept the new conditions and the refusal of the Chinese government to make satisfactory redress contributed towards a second war in 1857, in which France participated because of the murder of a French missionary in Kwangtung province. The final outcome of this struggle was a further cession to Great Britain of territory in the Kowloon Peninsula opposite Hongkong and the opening of more ports. British influence was extended into the buffer states in the south and into Tibet. In 1898[1] Great Britain took formal possession of Weihaiwei in Shantung under an indefinite lease.

French merchantmen first appeared at Canton in 1660, but there seems to have been no determined effort to maintain commercial relations. French activities have been confined largely to Indo-China, with the result that Annam and Tonkin, at one time vassals of China, are now French colonies. French influence in the southern part of the Chinese Empire was strengthened by China's agreement not to cede the island of Hainan to any third power[2] and by the ninety-nine-year lease of the Bay of Kwangchow for use as a naval station.[3] France has realized no great benefit from this lease, as it is not far from her possessions in Indo-China, but the principal object was to prevent other powers from taking it.

[1] MacMurray, J. V. A., *Treaties and Engagements with or Concerning China*, Washington, 1919–1921, Vol. I, p. 152.
[2] *Id.*, p. 98.
[3] *Id.*, p. 128.

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Subsequent chapters will deal in greater detail with the policies of Germany, Japan, and Russia in the Far East, but from what has already been written it is evident that the forceful opening of China by the West was accompanied by various acts of encroachment upon the sovereignty of the Chinese Empire.[1] The powers have interfered with the internal affairs of the country and have taken possession of strips of Chinese territory under different pretenses and claims. It is not surprising, therefore, that China has become suspicious of the good faith of all foreigners. The racial hatred among the peoples of the East for the nations of the West is not an inborn antipathy, but it is a gradual growth, caused and aggravated by the imperialistic actions of the states of Europe. There is in China at present what might be called a spirit of awakening nationalism. The Chinese, resentful of oppressive treaties and conventions, are beginning to feel that they should overthrow such burdens and take their place on an equal footing with the other nations of the world. An antiforeign movement under the leadership of students is rapidly growing. Unless the powers change their policy towards China and remove some of the discriminatory pacts to which the Chinese have come to object so strongly, there will develop a new Boxer outbreak more terrible than the first. The contemptuous attitude of foreign business men in China cannot be offset by the self-sacrificing efforts

[1] For a summary of the encroachments of the European powers in China, see Godshall, W. L., *The International Aspects of the Shantung Question*, University of Pennsylvania, 1923, Chap. I.

of missionaries. It is just as important to abandon the superior air of individual foreigners as to alter the policies of governments.

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CHAPTER II

RUSSIA IN EASTERN ASIA

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AS early as the Mongol, or Yuan, dynasty,[1] there were Russians in Khanbaligh, the city of the Khan, now known as Peking. So far as is known, Russian adventurers and merchants were among the first Europeans to visit Cathay, or China. Genghis Khan invaded Russia as far as the Dnieper River in 1223 or 1224, followed in 1237 by another expedition which looted cities and slaughtered people. By 1240 the Mongols had penetrated as far as Poland and Silesia, and the government which was established was, according to Russian records, known as the Golden Horde, which ruled until 1356. This Mongol government, however, contented itself with a sort of overlordship which collected tribute from the local administration without interfering with the Russian grand dukes. Heavy levies were imposed, including both money and men to fight in the Mongol ranks. The emperor of China took a census of the Russians in 1253. A regiment known as "The Ever-Faithful Russian Life Guards" was formed in China in 1330, with barracks somewhere in southern Mongolia, but, following the fall of the Mongol dynasty, we find no Chinese records which contain any mention of Russians for three hundred years. Nevertheless, many of them continued to go to China during the Ming dynasty,[2] and some European

[1] A. D. 1280–1368.
[2] A. D. 1368–1644.

writers, such as Marco Polo and Mendes Pinto, speak of them. Accordingly, it will be seen that there was continuous contact between Russia and China from the thirteenth century to the present day. The Slavic population of Russia was blended with Mongols from Asia, forming the foundation of the present Russian nation. Because of this Asiatic strain, Russia was not considered a European state until the seventeenth century,[1] but that did not deter Czar Ivan IV[2] from proposing to honor Princess Elizabeth of England as his seventh wife in 1548. Elizabeth, however, declined on the ground that she preferred "greater independence and less responsibility."

As further evidence of the orientalization of Russia, many customs identified with the East can be cited. The long gown, or robe, worn by the men[3] and the seclusion of the women to a considerable degree was characteristic of the Orient, as were the ever-present melon seeds at feasts. Russian and Oriental merchants alike resorted to the abacus in calculating accounts. For almost four centuries the Eastern matrimonial system, wherein the bride and the bridegroom did not meet until the day of the wedding ceremony and the excessive use of color on the faces of women, was common to both countries. Thus it may be assumed that the assimilation of the Slavs and the Mongols was fairly complete.

Ivan the Terrible sent two Russian agents, Petroff and Yalysheff, from Moscow on an exploring tour of

[1] Satow, E., *A Guide to Diplomatic Practice*, London, 1917, Vol. I, p. 14.
[2] Otherwise known as Ivan the Terrible.
[3] Abolished by Peter the Great.

eastern Siberia. In the course of their wanderings they reached Peking in 1567, but they were not engaged in any diplomatic or representative mission and consequently had not been supplied with any credentials or presents, in the absence of which the Ming emperor refused to receive them in audience. After an interview with a junior secretary of the Board of Dependencies, they returned to Russia. This incident aptly illustrates the Chinese view of Russia as a vassal state to be controlled through the medium of the Board of Dependencies. Crude maps of the Chinese Empire which appear in the geographical writings of the fourteenth century include Russia as a tributary state. In examining these maps, however, one must remember that the Chinese compass points to the south and that the top of the maps therefore represents the south. Hence, Russia and Siberia appear to be far south. This arrangement was reversed by the Jesuit priests who became the cartographers of China. Among the early Russian expeditions into eastern Asia was one of outstanding interest under the leadership of Yernak, a remarkable person embracing the characteristics of Hercules, Robin Hood, and Sir Walter Raleigh. In the winter of 1581 he organized a party to explore Siberia, and it is reported that he lost his life in 1584 by slipping from the gangplank of a boat while wearing a suit of armor weighing two thousand pounds. His followers continued eastward until, in 1636, they reached the Pacific Ocean, claiming the vast empire which they had traversed as Russian territory. In 1608, Russian merchants instituted the caravan system as protection for their goods. Commercial agreements

were concluded with individual chieftains in western Siberia, but an attempt to open negotiations with Peking was unsuccessful. Following the failure of two Russians to reach Peking in 1616, another expedition in 1619 succeeded in reaching the goal, but again the absence of tribute or credentials prevented an audience. Nevertheless, the emperor of China appears to have been favorably impressed, and the grand secretariat presented the visitors with a letter written in Chinese, expressing the warmest appreciation of the emperor, and stating his desire to open commercial relations between the two countries if the Russians would adopt a more formal approach. As no one in Russia was able to read Chinese, this letter lay untranslated for over fifty years. In 1620, the czar of Russia dispatched Pettlin on an official mission to the Chinese court, but he was not received because he bore no tribute.

The expansion of Russia across Siberia was not directed by the Russian government, but, as in the westward expansion of the United States, by the daring and initiative of adventurers who sought new scenes and new abodes. The settlement of Siberia by Russia differed from the westward movement in North America, however, in the important respect that it has not resulted in any marked development of the new territory. The Siberian settlers were actuated only by self-interest and not at all by considerations of service or loyalty to Russia, but after the occupation of the region had been accomplished neither they nor the Russian government had any objections to asserting Russian sovereignty over Siberia. The signal success of the

movement was due more to the absence of resistance in the districts settled than to any national impetus. At the time when the Russians were forcing their way into the Amur region, early in the seventeenth century, the Manchu dynasty in China was too occupied with establishing itself firmly upon the throne there to pay much attention to the frontier. By 1643 there were many Russian settlements along the Amur and Sungari rivers, including Albazin, but so long as there was no indication of political activity among the newcomers the Chinese were disposed to endure them.

The next Russian plenipotentiary to reach Peking was Baikoff, who arrived in 1654, bearing letters of credence and presents from the Moscow government. Although he had complied with the two requirements which had blocked the progress of his predecessors, a new difficulty now arose. According to Chinese custom, vassals and tribute bearers were obliged to kotow to the emperor. This practice consisted of three prostrations and nine times knocking the forehead on the floor before the throne. The kotow is also used in showing veneration for ancestors, performed before their tombs or before ancestral tablets, and as a mark of extreme respect for living individuals.[1] The Chinese themselves were obliged to kotow to their emperor, and they expected that all others should do likewise. Baikoff refused to perform the kotow and therefore was not admitted into audience. Four years later Perfileff and Yarikin carried valuable merchandise to Peking

[1] It is interesting to note that the kotow was practiced also in Russia on entering the presence of the czar until it was abolished by order of Czar Peter the Great.

and endeavored to open diplomatic relations, but without success. The Chinese government indicated its friendly attitude by presenting him with a letter written in the Chinese language to be delivered to the czar. As before, no one in Moscow could translate the letter! In 1659 the Manchu emperor received a Russian embassy bearing a letter from the czar requesting for some commercial arrangements and the essential presents. On returning to Russia, this embassy carried with it a gift of tea from the emperor of China to the czar of Russia. About this time Chinese rhubarb began to reach Europe by the overland route, being known generally as "Russian" rhubarb.[1]

The Russian settlements in what nominally was Manchurian territory began to interfere seriously with native fur traders and trappers, arousing the animosity of the Manchu authorities. The Muscovite fortress at Albazin appears to have been a center against which Manchurian forces advanced, reducing it to the ground on three separate occasions. The desertion of a minor Manchu noble and his followers to the Russian camp resulted in open hostility on the part of the Manchu rulers of the Chinese Empire. Spathar was commissioned by the Russian government in 1675 to study roads, rivers, resources, and military forces on the frontier, and to prepare lists of precious stones which might be found on his route to Peking to negotiate with the emperor. During his stay in the capital he was granted four audiences, without the necessity of

[1] For a more complete account of this period, see Ball, J. D., *Early Russian Intercourse with China*, an address before the Anglo-Russian Literary Society, London, December 3, 1912.

performing the kotow. He brought with him the two letters of 1619 and 1658 for translation into Latin by Jesuit priests, whereupon it was possible for the Russians to determine the contents. Spathar was unable to make any real headway, however, because he was not prepared to promise the return of the Manchu deserters then in the Russian settlements, and, according to Chinese reports, because of "obstinacy and bad manners" in connection with his refusal to kotow. The Jesuits in China had experienced great difficulty in maintaining regular intercourse with the pope in Rome and welcomed the possibility of occasional overland communication through Russia with Christian outposts along the route. A Roman Catholic messenger to Rome accompanied Spathar on his return journey.

As the Russian expansion eastward was fundamentally inspired by economic motives, and as the Chinese interest in the North was basicly political, in line with the traditional policy of creating buffer states, the first hundred years of contact was not marked by armed conflicts in any general sense of the word. Local clashes occurred from time to time between Chinese and Muscovite settlers, but there was no serious clash of policies. However, when the latter began to build forts at Astrog and Albazin in what actually was Chinese territory, threatening to disturb Chinese political aims, the situation was felt to be serious. The outcome was an indecisive border warfare for a number of years, between 1683 and 1689. Prince Golovin left Moscow in 1685 with two Latin letters and credentials from the czar to the emperor with full powers to adjust

the difficulties. He was instructed to avoid disturbing the Chinese political situation, to regulate commercial intercourse, to avoid bloodshed, to make every possible concession, and not to insist upon entering China if there was any objection raised to his doing so. This last admonition can be attributed to the fact that he was accompanied by one thousand men, and that any attempt to lead such a force across the frontier surely would be interpreted as an act of war and would lead to reprisals. The emperor dispatched a mission accompanied by two Jesuit priests to meet the Russians at the border and negotiations took place at Nerchinsk[1] in 1689, in an open space between the Russian and Chinese armies. After each delegation had delivered lengthy orations, a convention was concluded in which for the first time China treated on terms of equality with a Western state. The Rerbetchi and Ergoné rivers were declared to be mutual boundaries, the fort at Albazin was to be destroyed, provision was made for free trade across the frontier, reciprocal rights of travel with proper passports were established, political and religious aggression was to cease, and the extradition of criminals and fugitives was conceded.[2] Each delegation signed two copies, one written in Latin and the other in its own language. The Latin texts were sealed by both parties and exchanged amid embraces and trumpet flares, and each nation retained one Latin copy and the copy prepared in its own language for convenience in translating. After an exchange of presents each party to the treaty

[1] Also spelled Nertchinsk and sometimes Neverchinsk.
[2] Treaty of Nerchinsk, April 27, 1689, *China Year Book*, 1924, p. 689.

departed to its respective capital. This agreement was ratified in 1693,[1] when Peter the Great fitted out an imposing embassy for the purpose, selecting as his personal ambassador a Dutchman named Ides. Ides was received five times by the emperor and was successful in perfecting detailed arrangements for the overland trade.[2] Consequently, although Russian arms had suffered defeat, Russian diplomacy was permanently established in Peking as a result of the negotiations, and many Russian prisoners taken during the fighting remained in Peking as a group to which the Greek Orthodox Church still stands as a monument.

From the middle of the sixteenth century the Russian government had maintained a monopoly of the trade with China. Only merchants who paid high fees were permitted to engage therein. Early in the seventeenth century the government adopted the caravan system, in order that by greater numbers the merchants might be safer from attack and robbery en route. When we bear in mind that the proceeds accruing to the czar were directly proportional to the volume of the trade, it is easy to understand and account for the close relationship between the commercial and the diplomatic embassies which were sent to Peking from time to time. The original caravan route passed through Siberia to Tsitsihar, Manchuria, northwest of Harbin, which city has surpassed Tsitsihar in commercial importance since the advent of the Chinese Eastern Railway. From Tsitsihar the traders

[1] Gutzlaff, C., *History of China*, New York, 1834, Vol. II, p. 248.
[2] Ides, E. Y., *From Moscow Overland to China*, translated in London, 1706, *passim*.

made their way southward to Peking. This route was abandoned in the seventeenth century in favor of a more direct road striking southeast from Lake Baikal through Kiakhta[1] and across the Gobi Desert of Mongolia to Kalgan and Peking. During the early years of the eighteenth century the caravans homeward bound over this latter route approximated three hundred thousand rubles in value. The expenses of transportation covered but five per cent of this amount, but the enormous profits which were realized did not contribute proportionate sums to the Russian Treasury because of inefficiency and dishonesty in collections by government officials.[2] Under the terms of the Treaty of Nerchinsk, as ratified by Ides in 1793,[3] several caravans were sent out, notably in 1705, 1711, and 1713.

K'ang Hsi, emperor of China, dispatched a mission to Russia in 1711 to request aid in his campaign against some of his rebellious subjects in remote regions, but Peter the Great was too engrossed in difficulties with Sweden to pay any attention to China. Four years thereafter, Lange, a Swede, was sent to Peking, returning in 1717. Lange visited China for the second time in 1719, accompanied by Dr. John Gell, and both of these men were attached to the embassy of Ismailoff in 1720. Ismailoff did not reach Peking until 1721, having been delayed at the frontier because of the

[1] Sometimes spelled Kiachta.

[2] Ball, J. D., *Early Russian Intercourse with China*, address, December 3, 1922, London, p. 18.

[3] Ball, J. D., *Intercourse Between China and Russia in the Time of Peter the Great*, address before the Anglo-Russian Literary Society, London, October 7, 1913, p. 10, states that Ides was not very successful, as his letter was too independent in tone and the czar's name was written before that of the Bogdy-khan, or emperor, and that his presents were returned to him.

presence of several women in his party. Unavailing appeal was made to the emperor of China, and the unwelcome women were obliged to return to Moscow while the embassy proceeded into the empire. Despite this discouraging beginning, Ismailoff was well received by K'ang Hsi, who permitted him to deliver his credentials in person instead of through the medium of a Chinese secretary. The Russian envoy was obliged to perform the kotow, but a high Chinese official was appointed to kotow before the letter of the czar as an indication of the equality of the two emperors.[1] Russia desired the establishment of the boundary between the Amur River and the Pacific Ocean and greater commercial privileges, but negotiations were halted by the news that a tribe of Mongols had transferred its allegiance to Russia.[2] Lange remained in Peking as Russian consul, while Ismailoff returned to his government to urge a satisfactory settlement of the matter. Delay on the part of Russia caused the Chinese government to prohibit the penetration of caravans beyond the border. Prosecution of the Jesuits led the Roman Catholic organizations to appeal to Peter the Great for protection. The Russian government apparently thought well of a project to advance its commercial interests under the guise of a crusade, but the death of K'ang Hsi, 1722, made it seem best to wait for his successor, Yung Chêng, to indicate his policy. The demise of Peter the Great in 1725, after

[1] Czar Peter the Great assumed the title of Emperor of Russia in 1721, the word "czar" being only the Slavic equivalent for king.

[2] Bell, J., of Antermony, *Travels from St. Petersburg in Russia to Diverse Parts of Asia*, Glasgow, 1763, *passim*.

a reign of sixty years, brought to a close an eventful period in Russo-Chinese relations, but Russian efforts for treaty revision were not relaxed.

Empress Catherine I sent embassies to China in 1725 and 1727. The second of these, under the leadership of Vladislavitch, concluded a series of compacts fixing mutual boundaries, providing for triennial caravans, authorizing the establishment of an ecclesiastical mission with a few priests, and permitting not more than six Russians, only two of whom might be adults, to enter China to study the Chinese language. As in 1689, these arrangements were made at the frontier and not in the capital. Ratifications were exchanged at Kiakhta, June 14, 1728.[1] In noting Russian dates, one must bear in mind that Russia follows the Julian calendar devised by Julius Cæsar. Pope Gregory XIII and some astronomers worked out the Gregorian calendar in order to correct the error of the old-style calculations. This new-style calendar was adopted by the Roman Catholic countries of Europe in 1582, advancing their dates by ten days. Protestant states made the change in the eighteenth century, by which time there was a difference of eleven days. This error increased to twelve days between 1800 and 1899, and during the twentieth and twenty-first centuries there will be thirteen days' error. Russia and Greece still continue to use the Julian calendar, and it is therefore necessary to make corrections in dates to have them coincide with our calendar. Consequently, there being eleven days' error during the eighteenth century, the Gregorian date of the Treaty of

[1] United States, *Foreign Relations*, 1873, p. 163.

Kiakhta would be June 25, 1728. This convention was revised in 1768[1] to regulate extradition and reciprocal criminal jurisdiction more exactly, and in 1792 a new agreement facilitated the overland trade.[2]

Emperor Yung Chêng sent an embassy to Moscow in 1730 to congratulate Peter II upon his accession to the throne of Russia. Because of the slow means of transportation, this mission did not arrive at its destination until January, 1731, by which time Peter II had died and had been succeeded by Empress Anne. Having come such a great distance, the Chinese delegation decided to offer its presents and congratulations to her instead, the ceremony comprising a procession of nine carriages, a salute of thirty-one guns, a guard of honor of four Russian regiments, and an audience during which the Chinese performed the kotow before Anne. In 1732 a second embassy was dispatched from Peking to Russia in order that the Chinese government might offer direct felicitations to Anne and to dispel any possible resentment she may have felt at the second-hand nature of the former mission. And again the Chinese performed the kotow! These facts may be highly significant if it is possible to show from Chinese sources that the kotow was insisted upon as an ordinary act of respect due to the emperor and not as an implication of the inferiority of the nation or the ruler of the person kotowing. If the latter were true, would the Chinese envoys have been willing to admit the superiority of any earthly ruler over the Son of Heaven? On

[1] Inspectorate General of Customs, Statistical Department, *Treaties Between China and Foreign States*, Shanghai, 1908–1909, Vol. I, p. xliv.
[2] *Id.*, p. xlvii.

the other hand, as these were the only known occasions upon which Chinese embassies were sent abroad until 1877, could the envoys have felt merely an individual responsibility and not their representative position? It is conceivable that they may have performed the kotow as individuals without any thought of its international aspects, but it is not probable. Taking into consideration these incidents and the case of the mandarin who was directed to kotow to the czar's letter in 1721, there is room for reflection and further investigation before we reach any fixed conclusions on the subject.

In 1806 an effort was made to join in the ocean commerce with China, but the Chinese government felt that already too many foreigners were congregated at Macao and Canton, and that the Russian trade should be restricted to the overland routes.[1] Accordingly, the Russians were not permitted to engage in the South China trade and devoted their entire attention to the routes which they had opened. A substantial and profitable intercourse developed, aided by the Treaty of Kuldja[2] of 1851, permitting trade between Kuldja, or Ili, and Tarbagata,[3] but the Russian government was not content to allow the other European states to enjoy the sea trade without Russian participation. Admiral Count Putiatin, the Russian ambassador in Peking, again expressed a desire for the privilege of engaging in the coastwise

[1] Campbell, A., *A Voyage Around the World from 1806 to 1812*, New York, 1817, *passim*.

[2] Also spelled Kulja and sometimes called Ili.

[3] Inspectorate General of Customs, Statistical Department, *Treaties Between China and Foreign States*, Shanghai, 1908-1909, Vol. I, p. 21.

trade and was again refused. Thereupon he joined the English and French diplomats at Hongkong in 1857 in their efforts to open more Chinese ports to European commerce. At the conclusion of the Anglo-French campaign, Russia shared the success and concluded with China the Treaty of Tientsin, June 13, 1858. By this treaty, Russia acquired the desired navigation and commercial rights and, in addition, extraterritorial and most-favored-nation prerogatives. Certain privileges concerning missionary activity and postal service were also included.[1]

During the years 1850–1864, China was divided by civil war, known as the Taiping Rebellion, which spread rapidly from the southwest until it embraced almost half of the empire. Fatalities during the conflict have been variously estimated from ten to twenty million. In the spring of 1853 a rumor gained credence to the effect that the Chinese government had asked Russia for aid in suppressing the insurrection. Humphrey Marshall, the American commissioner in China, feared that "her assistance would probably end in passing China under a Russian protectorate, and in the extension of Russian limits to the Hwang-ho, or to the mouth of the Yangtze; or, it may be, when circumstances and policy shall favor the scheme, in the partition of China between Great Britain and Russia."[2] The rumor did not materialize, but Russia was active in the North. The Amur region, from which Russians had been ejected in 1689, was reoccupied by

[1] Hertslet, L., and Sir E., *China Treaties*, London, 1835–date, Vol. I, p. 461.

[2] Marshall, Humphrey, *Correspondence*, quoted in Dennett, T., *Americans in Eastern Asia*, New York, 1922, p. 215.

Russian troops, the underlying motive being to secure the mouth of the Amur River as an ice-free port after the failure to drive Turkey from Constantinople in the Crimean War, and it was reported that China declined an offer of the Russian government to suppress the rebels in exchange for the cession of Manchuria.[1] During the Allied attacks on Canton and Taku the Russians negotiated the Treaty of Aigun, May 29, 1858, by which the north bank of the Amur River to its mouth became Russian territory and the south bank of the Amur above (upstream) its junction with the Ussuri River remained Chinese. The region south of the northern (downstream) end of the Amur and east of the Ussuri River to the Pacific, otherwise known as the Maritime Province of Primorsk, was held in joint occupation for future settlement. Commerce was promoted by freedom of navigation for vessels of both countries on the Amur, Ussuri, and Sungari rivers.[2] Two weeks later, June 13, Count Putiatin concluded the Treaty of Tientsin, which was ratified less than one year later by General Ignatiev, who entered Peking by the overland route while the Allies were engaged in trying to force their way up the Pei-ho to Tientsin. Early in 1860, the Russian agent tried to persuade or force the Chinese authorities by promises and threats to relinquish all claims to the Maritime Province in eastern Siberia. The occupation of Peking by English and French troops in the autumn of 1860 afforded Ignatiev a gilt-edged opportunity to act as mediator

[1] Lawton, L., *The Empires of the Far East*, Boston, 1912, Vol. II, p. 1291.
[2] Inspectorate General of Customs, Statistical Department, *Treaties Between China and Foreign States*, Shanghai, 1908–1909, Vol. I, p. 27.

between Prince Kung, Lord Elgin, and Baron Gros.[1] He succeeded in convincing the Chinese officials that he had interceded as the friend of China and no doubt was instrumental in preventing the Allies from overstepping the limits of their victory. The result of his diplomacy was a convention signed in Peking, November 14, 1860, definitely abandoning the Maritime Province of Primorsk, in which Vladivostok is situated, to Russia.[2] Russo-Chinese boundaries again were defined in the Protocol of Tchuguchak, October 7, 1864, and by the Peking Convention, April 27, 1869, at which time also the overland route was revised.[3]

Encouraged by her successes, Russia again took advantage of China's domestic difficulties in 1871 by occupying Kuldja, or Ili, province in order to suppress prevailing anarchy and to protect the trade route. The Russian government engaged to restore the province to China when order had been reëstablished in China's central Asian dominions. As Great Britain and Turkey also were taking too great an interest in the disturbances in Chinese Turkestan, the imperial government undertook renewed efforts to protect its interests and territory. Under these circumstances, China first made her appearance as a borrower in foreign markets in 1876, negotiating a loan at eight per cent issued at par, and secured by the customs revenue.[4] This money was used to defray the expenses of a military expedition into Chinese Turkestan, and

[1] Cordier, H., *Histoire des Relations de la Chine avec les Puissances Occidentales*, Paris, 1901, Vol. I, p. 94.
[2] Michie, A., *The Englishman in China*, London, 1900, Vol. I, p. 357.
[3] *China Year Book*, 1924, p. 690.
[4] *London and China Telegraph*, March 20, 1876.

by 1878 the authority of the emperor was restored. Russia then was called upon to fulfill her promise. After some months of discussion in St. Petersburg, the Chinese plenipotentiary who had been sent to Russia for the purpose, Chunghow, signed the Treaty of Livadia, September 15, 1879, confirming Russia's retention of the western portion of Ili and of important military passes, and obligating China to pay an indemnity of five million rubles to cover the cost of Russian occupation.[1] Chinese opinion was so aroused by the publication of these terms that many people urged immediate war. Upon the return of Chunghow, he was removed from public office and condemned to death as a traitor, but intervention by the Diplomatic Corps in Peking saved his life. Another envoy, Tseng, was sent to St. Petersburg and succeeded in concluding the Treaty of St. Petersburg, February 24, 1881, restoring to China the greater part of Ili and the passes in the Tien Shan, but increasing the indemnity to nine million rubles.[2] Russia retained the western strip of the province and secured trading privileges in Ili and Mongolia, but her program of expansion and exploitation was checked in that region.

Before Japan and China both agreed to withdraw their forces from Korea in 1885, the Korean government had agreed to permit the Russian navy to use Port Lazarev, an ice-free harbor on the Pacific Ocean (Sea of Japan) in approximately the same latitude as Port Arthur and Dalny, in exchange for the services of

[1] Cordier, H., *op. cit.*, Vol. II, p. 194.
[2] MacMurray, J. V. A., *Treaties and Agreements with or Concerning China*, Washington, 1919–1921, Vol. I, p. 72.

Russian army officers as instructors in the Korean army. This was a valuable acquisition for Russia, as Vladivostok is closed during the winter months and the Russian Pacific squadron was obliged to seek shelter in the harbors of friendly states. Britain took alarm and occupied Port Hamilton, off the southern coast of Korea, May 12, 1885. Japan also became wary and was willing to conclude peace with China in the Tientsin Convention. The Chinese government then ordered the king of Korea as its vassal to repudiate the agreement with Russia, and on February 27, 1887, the British evacuated Port Hamilton.[1] The outbreak of the Sino-Japanese War in 1894 evoked a semiofficial statement in Russian publications that the autonomy of Korea was essential to Russian interests, and that any effort by Japan to establish control over the peninsula would be met by a Sino-Russian protectorate.[2] The terms of the Treaty of Shimonoseki did not extend Japanese sovereignty over Korea, and consequently the Russian government was not called upon to make good the proposal of a joint protectorate. Instead, Japan acquired title to Formosa, the Pescadores Islands in the Strait of Formosa, and the Liaotung Peninsula in South Manchuria. Because of Russian aspirations concerning Manchuria, it was to her interest to have a passive China in possession rather than an aggressive Japan. The Russian government foresaw danger in Japan's securing a foothold on the mainland of Asia and in what Russia

[1] Morse, H. B., *The International Relations of the Chinese Empire*, Shanghai, 1910–1918, Vol. III (The Period of Subjection, 1894–1911), p. 121.
[2] *North-China Herald*, July 13, 1894.

considered to be her sphere of influence. Accordingly, steps were taken in the chanceries of Europe to convince France and Germany that Japanese possession of the peninsula was inimical to their interests. The diplomacy of Prince Lobanov-Rostovski, the Russian minister for foreign affairs, was successful in persuading those powers to join with him in "advising" Japan not to violate the principle of the unity and territorial integrity of the Chinese Empire.[1] Great Britain was not a party to this concert. Japan was forced to accept this unsolicited advice and, in exchange, exacted a heavier indemnity from China. The Chinese government had no funds with which to pay any indemnity, whatever the amount, and approached Sir Robert Hart, director general of the customs service, to inquire whether England might render assistance in floating a loan for the purpose. France and Russia again joined hands in offering a loan to China, so that Great Britain might not attain a position of too great influence in Far Eastern affairs. The offer was accepted by the Chinese government, June 24, 1895, and six French and four Russian banking houses formed the Russo-Chinese Bank. The two governments also invested capital and this semiofficial institution advanced to China four hundred million francs for thirty-six years at four per cent.[2] Great Britain and Germany then arranged other loans to the Chinese government, one of sixteen million pounds for thirty-six years at five per cent, and another for

[1] *The Memoirs of Count Witte*, translated and edited by A. Yarmolinsky, New York, 1921, Chap. 4.
[2] Huang, C. F., *Public Debts in China*, New York, 1919, p. 21.

the same amount for forty-five years at four and one-half per cent. Both of these loans were guaranteed by the British and German governments. All three loans were to be repaid from likin,[1] maritime customs, and salt revenues.

Having performed such valuable services for China, Russia began to broach the matter of material compensation. The idea of connecting European Russia with Vladivostok had been one of the cherished dreams of Emperor Alexander III, and Czarevitch Nicholas inaugurated the construction of the Ussuri Railway in 1891 connecting the Pacific port with Khabarovsk, forming the first link in the Trans-Siberian Railway. Construction progressed from the Russian terminus at Moscow eastward until Lake Baikal was reached, leaving only the stretch through the Amur valley to Khabarovsk to be completed. This route would entail a considerable detour, which the engineers desired to avoid, if possible; but it was the only practicable one lying entirely within Russian territory. The already enormous mileage made it desirable to select the shortest line. Two alternate proposals were advanced, both of which involved traversing parts of the Chinese Empire and securing requisite permission from the Chinese government. One, from Kiakhta to Peking, was favored by certain influential persons at the Russian court, including Badmayev, the court physician, who exerted considerable influence over the emperor. Opponents of this plan were able to convince the

[1] Likin is an internal revenue tax levied on goods passing from one province into another. It results in multiple taxation of the same article, is very injurious to trade, and is largely appropriated by provincial or military authorities for their own purposes.

government that a project to build a railroad direct to Peking would arouse the suspicions of other powers, which would combine to prevent its accomplishment. The third alternative was across North Manchuria, passing through Tsitsihar and Harbin, to connect with the Ussuri Railway at Nikolskaya, and plans were laid to secure China's assent to this route.

Li Hung-chang was selected by the Chinese government to attend the coronation of Emperor Nicholas II on June 2 (n.s.), 1896, and shortly before he departed from Peking important conversations took place between him and the Russian minister, Count Cassini. The railway question was discussed in great detail and a Shanghai newspaper[1] published an account of a supposed agreement covering the North Manchuria route and the lease of Kiaochow Bay to Russia for not longer than fifteen years. This so-called Cassini Convention aroused the curiosity of European governments, and plans were made to try to influence Li Hung-chang as he passed through western Europe en route to St. Petersburg. Accounts of the voyage of Li Hung-chang vary concerning the route he actually traversed beyond Suez, but Count Witte offers very specific details in an account published in 1922, in which he states that Prince Ukhtomski met the Chinese plenipotentiary at Suez and escorted him to Odessa aboard the *S. S. Rossiya* of the Russian Steamship and Commerce Corporation. From the Black Sea port the

[1] *North-China Daily News*, March 27, 1896.
Baron S. A. Korff, *Russia's Foreign Relations*, London, 1922, p. 56, asserts that there was no such convention and that Cassini signed no compact at that time. It is quite possible that only preliminary discussions took place, leaving the final papers to be signed later in Europe.

party was taken by special train to St. Petersburg. As the Russian minister for foreign affairs, Prince Lobanov-Rostovski, was entirely uninformed on Far Eastern affairs, Sergey Yulievich (later Count Witte) was intrusted with the desired negotiations, and to his carefully laid plans and clever diplomacy the success of the Russian policy is due. Witte convinced Li Hung-chang that, in order to render effective assistance to China in case of a future struggle between that country and Japan, it was necessary for Russia to be able to send troops and supplies to Manchuria with the least possible delay, and that this would be possible only by building the Trans-Siberian Railway through North Manchuria to Vladivostok.[1] A secret alliance was drawn up in which the two countries agreed to support one another on both land and sea in case of Japanese aggression in China, Korea, or Siberia. In the texts which were submitted for signature, the words "*par le Japan*" in some way were unintentionally omitted from the guarantee of mutual assistance in the event of attack, so that the pact would apply to hostilities by any state and not only by Japan, as intended by Russia. A defensive alliance against any or all powers was quite a different thing from one directed only against Japan. This omission also had occurred in earlier drafts, and Count Witte had urged its correction, but by an oversight it had not been done. Realizing at almost the last minute that correction must be made and without the Chinese knowing of it, the Russian foreign minister hurriedly

[1] Witte, Count, *My Dealings with Li Hung Chang* in *World's Work Magazine*, January, 1921, p. 302.

announced luncheon, postponing the ceremony until after they had eaten. In the meantime, two secretaries redrafted the treaty, inserting the all-important phrase. The new copies then were quietly substituted for the others and were duly signed after luncheon. During hostilities, all Chinese ports were to be open to Russian warships for repairs and supplies. Russia secured the right to construct the Trans-Siberian Railway across Manchuria, this portion of the line being known as the Chinese Eastern Railway. This treaty was signed in May, 1896,[1] to continue in force for fifteen years, but Russia's subsequent actions in the acquisition of Port Arthur and in solidifying her position in Manchuria after the Boxer Rebellion caused the Chinese government to repudiate it.

In order to announce publicly the acquisition by Russia of the desired railway concessions in North Manchuria without divulging the real nature of the engagement entered into by the two governments, the Peking Agreement of September 8, 1896, was promulgated. This convention nominally was a contract let by the Chinese government to the Russo-Chinese Bank, which in turn undertook to form the Chinese Eastern Railway Company. This corporation was to construct the railway through North Manchuria connecting with the Russian lines at the frontiers, thus giving the impression that a separate company was being organized under the authority of the Chinese government. The terms of the concession,

[1] This secret treaty was published by the Chinese Delegation to the Washington Conference, the text appearing in *Current History Magazine*, March, 1922, p. 998.

however, were very favorable to Russia. Although China was declared to have the right to redeem the railroad at the expiration of thirty-six years, the terms under which this should be accomplished were so difficult of fulfillment that it was considered highly improbable that the Chinese government would ever be able to pay seven hundred million rubles' purchase price to the Chinese Eastern Railway Company. Furthermore, mining privileges were obtained in Kirin, Heilungkiang, and the Long White Mountains.[1] These commitments created a very complex international situation in the vicinity of the railway. The Russians acquired administrative rights and maintained their own police force and courts, causing endless friction with the Chinese authorities.

After the expulsion of Japan from the Liaotung Peninsula in 1895, the Russian government set about strengthening its hold upon Korea to prevent Japan from doing so. Russians replaced other foreigners in the service of the Korean government, and Russian influence became paramount, but the necessity of bending all efforts towards maintaining her position in Manchuria made it necessary for Russia to concentrate her attention there. Consequently the Korean field was abandoned, and in April, 1898, the Russian government formally recognized Japan's commercial interest in the kingdom.[2]

The Sino-Japanese War gave warning to Russia that Japanese ports might not always be a safe refuge for

[1] Hertslet, *op. cit.*, Vol. I, p. 324.
[2] Rockhill, W. W., *Treaties, Conventions and Agreements with or Concerning China and Korea*, 1894–1904, Washington, 1904, and 1908, p. 433.

Russian naval vessels during the winter months when Vladivostok was unavailable, and naval officers were instructed to look for a suitable harbor on the coast of China. In 1895 the Chinese government agreed to permit the use of Kiaochow Bay.[1] The Russian Pacific fleet anchored there during the winter,[2] but it was found to be inconvenient for Russian purposes, and no further use was made of the privilege. Some contemporaries in China state that the bay and the small city of Kiaochow were too quiet and unattractive for the officers and men of the Russian squadron, who preferred the brighter social life of other ports. By others, it is believed that a base on the southern shore of the Shantung Peninsula was too remote from Russia's sphere of influence in Manchuria and Siberia. German occupation of Kiaochow Bay[3] in November, 1897, caused the Chinese government to ask that some Russian warships be detailed there. Orders were issued from St. Petersburg to comply with the request, presumably without first consulting Emperor Nicholas II, who had tacitly agreed to such a step in conversation with Emperor William II of Germany at Peterhof the preceding summer. Apparently the emperor of Russia learned of the orders which had been issued and countermanded them before they could be executed. Count Muraviev, Russia's minister for foreign affairs at that time, desired to take advantage of the

[1] *The Memoirs of Count Witte, op. cit.*, p. 98. This statement tallies so closely with the reported nature of the Cassini Convention as to make it possible to credit the existence of some agreement or understanding.

[2] Presumably the winter of 1895–1896, but possibly not until 1896–1897. For text, see Appendix I.

[3] For details, see Chap. IV.

Huihsingchiao Fortress at the Entrance to Kiaochow Bay

situation to secure a desirable naval base for Russia, and persuaded Nicholas II that the British fleet contemplated seizing Port Arthur and Talienwan[1] at the southern end of the Liaotung Peninsula. Early in December, 1897, a Russian squadron occupied those harbors, the chargé d'affaires in Peking assuring the Chinese government that his government had no intention of seizing Chinese territory, that the step was necessary to protect China from Germany, and that evacuation would be effected as soon as the Germans withdrew from Kiaochow. The true nature of Russian policy, however, was disclosed by a request made by the Russian ambassador at the Court of St. James in January, 1898, that two English cruisers then at Port Arthur be withdrawn "in order to avoid friction *in the Russian sphere of influence* [writer's italics]." The subsequent compliance with this request was regarded in some quarters as injurious to British prestige in the Far East.

After two months' discussion within the Russian court circles it was decided to demand the cession of Port Arthur, Talienwan, and the portion of the Liaotung Peninsula known as Kwantung province. The empress dowager of China, Tzŭ Hsi, at first refused to make any concessions, but it is reported that presents amounting to two hundred fifty thousand rubles and five hundred thousand rubles offered to two prominent Chinese statesmen were instrumental in influencing her advisers to persuade her to yield. An agreement of March 27, 1898, ceded Port Arthur and adjacent territories to Russia for a period of twenty-five years,

[1] Changed to Dalny by the Russians and again to Dairen by the Japanese.

with the privilege of renewal. A neutral area was established north of the leased territory in the Liaotung Peninsula over which the Chinese government retained jurisdiction under the limitation that no troops could be sent there without first securing the consent of the Russian authorities. Port Arthur was declared to be a closed port, to be used only by Chinese and Russian vessels; but Talienwan, except for a small zone, was opened to trade.[1] The boundaries of Port Arthur and Talienwan were fixed and Russian rights in the neutral zone were specified in a supplementary convention signed at St. Petersburg, May 7, 1898.[2] These concessions so aroused Chinese public opinion that Li Hung-chang and Chang Ing-huan were obliged to relinquish their high official positions and accept others in distant regions. Having secured a naval base, Russia's next concern was to establish rapid communication facilities between it and Russian territory in Siberia and Europe. Accordingly, July 6, 1898, arrangements were made for the construction of a railroad from Port Arthur northward to connect with the Chinese Eastern Railway in North Manchuria.[3]

The outbreak of the Boxer Rebellion in 1900 greatly pleased Kuropatkin, the Russian minister of war, giving him an excuse to seize Manchuria. In concert with other European powers, Japan and the United States, Russia sent troops to relieve the Peking legations.

[1] MacMurray, J. V. A., *op. cit.*, Vol. I, p. 119.
[2] *Id.*, p. 127.
[3] *Id.*, p. 154. By an exchange of notes, April 28, 1899 (*id.*, p. 204), Great Britain and Russia recognized mutual railway interests in eastern Asia, the former engaging not to seek or obstruct railway enterprises north of the Great Wall and Russia recognizing British priority in the Yangtze valley.

When the Boxer movement was at its height in June, 1900, the Chinese authorities in Manchuria declared war against Russia and for a moment a great wave of panic seems to have swept over the Russian administration, civil and military, in the adjoining provinces. In the course of resultant disturbances, Russian troops occupied various parts of Manchuria, where their reprisals were fierce in proportion to their earlier fears. The Chinese resistance was soon overcome, and by the end of the year every important strategic position between the seacoast of Manchuria and the Amur River had been occupied by the czar's forces. The railroads were guarded by troops, the Chinese telegraph lines were confiscated, and Manchuria practically became a Russian province.

Having secured control of Manchuria, Russia now planned to retain it by methods similar to those of 1860, when she befriended China and secured for herself the Amur and Pacific coast regions. During the international negotiations relative to settlement of the Boxer damages, Russia was inclined to be lenient concerning the indemnity to be imposed and attempted to induce the powers to withdraw to Tientsin. Failing in this, Russia joined with the United States in proposing that all claims should be referred for settlement to the Hague Court of Arbitration. The final Russian claim, however, totaled twenty-nine per cent of the protocol settlement and, with that of Germany, equaled nearly as high a figure as those of the other six allied powers together.[1] A separate agreement was negotiated on

[1] 220,441,635 taels in a total of 450,000,000 taels.

January 30, 1901, through M. Korostovetz and Tseng, the Tatar general at Mukden, placing the civil and military administration of the province under Russian control. Secret conferences were held in St. Petersburg in February, 1901, between the Chinese minister and the Russian government in preparation for a still more comprehensive convention. A certain measure of civil authority in Manchuria was to be restored to China in return for her acknowledgment of exclusive military, civil, and commercial privileges. In addition, Russia was to acquire preferential rights over all the outlying provinces of the Chinese Empire bordering on Russian Asiatic dominions. Most of the powers of Europe learned of these negotiations and interposed strenuous objections, whereupon the Russian government[1] issued a circular note stating that, as the generous intentions of Russia had been so generally misconstrued, the proposed convention had been withdrawn.

Although this Sino-Russian agreement was officially withdrawn, other powers took decisive steps to prevent future Russian encroachments in Chinese territory. The Anglo-Japanese Alliance of January 30, 1902,[2] was aimed directly at the Russian advance in Manchuria, the preamble declaring the main motives of the contracting parties to be the maintenance of the independence and territorial integrity of China and Korea and the securing of equal opportunities in those countries for the commerce and industry of all nations.[3]

[1] April 3, 1901.
[2] For text, see Appendix II.
[3] Russia and France issued a joint declaration, March 16, 1902, stating that they were activated by the same principles and reserving the right to consult with each other in the event of aggression by third parties or the recurrence

The United States, Great Britain, and Japan vigorously protested against the grant of exclusive rights to Russian subjects in Manchuria, in reply to which the Russian government asserted its intention to respect the commercial rights of other nations. Under pressure of these protests Russia also concluded an agreement with China on April 8, 1902,[1] which appeared to display her good faith by providing for the restoration to China of the Shanhaikwan-Newchwang Railway and the complete evacuation of Manchuria in three successive periods of six months each. According to this program, the railway was transferred to China the following October, and troops were withdrawn from the district between Shanhaikwan and the Liao River, but these soldiers were merely concentrated in other strategic places not yet abandoned. The maritime customs at Newchwang were retained under Russian administration, regardless of the protests of the Chinese authorities.

Before the expiration of the second period of six months, the Russian government presented a number of conditions as prerequisite to further evacuation, including a guarantee of the future nonalienation of Manchuria and the closing of that province to the economic enterprises of all nationalities except Russians.[2] Simultaneously, Russian troops were concentrated at Liaoyang, Fengchangching, and Antung, and forces were sent across the Yalu River into Korea. Although the Russian diplomats officially denied the

of disturbances in China which might become a menace to their interests. For text, see Appendix III.

[1] See note 3, p. 52.

[2] Asakawa, K., *The Russo-Japanese Conflict*, Boston, 1904, p. 242.

existence of these demands when questioned by the governments of the United States and Great Britain, their presentation has been verified. In consequence of this action, the United States and Japan insisted upon concluding with China treaties opening Mukden and two Yalu River ports to foreign trade. Despite Russian opposition, these treaties were signed in October, 1903,[1] the month in which the last detachment of Russian troops should have been withdrawn from Manchuria. Not only were forty-five thousand Russian troops still in Manchuria, but a viceroy had recently been appointed to be responsible for law and order in the districts traversed by the Chinese Eastern Railway and to watch over the interests of Russian subjects in the regions under his jurisdiction or lying on the other side of the border. Russian agents were active in Mongolia also, exploring and planning railway routes.

Because of Russia's evident intention of retaining possession of Manchuria and of infringing upon the sovereignty and territorial integrity of Korea, Japan became insistent that the promises of evacuation of April 8, 1902, should be carried out. The Russian minister at Tokyo was presented with a series of proposals, August 12, 1903, to the effect that the independence and integrity of China and Korea should be respected; the "open door" should be maintained; Japan's interests in Korea and Russian interests in Manchuria should be recognized; only sufficient troops should be maintained in those regions to protect interests; and that Russia should recognize the exclusive interest of

[1] MacMurray, J. V. A., *op. cit.*, Vol. I, p. 423.

Japan in assisting the Korean government. Russia replied with counter-proposals that Japan should definitely recognize Manchuria as being outside her sphere of interest and that both powers respect the integrity of Korea and agree not to erect fortifications therein.[1] The tone of these proposals indicated that the Russian government was convinced that Japan would not resort to war.[2] The Japanese made a second attempt to adjust matters amicably, offering to acknowledge Manchuria as outside their sphere of interest if Russia would reciprocate by recognizing Korea as outside Russian interests. Again Russia gave an arrogant reply without any mention of the Korean problem. Upon receiving a similar rebuff for the third time, Japan's patience was exhausted. Kurino, the Japanese minister at St. Petersburg, warned the Russian government that hostilities would assuredly break out unless a more conciliatory attitude were adopted, but to no avail, and was obliged to inform his government that the Russians would not yield.[3] Diplomatic relations were broken off by Japan, but the Russians in Manchuria had no intimation that actual warfare was contemplated until a Japanese fleet attacked Port Arthur, February 9, 1904. Both countries issued a formal declaration of war the following day. It was mutually

[1] Thayer, W. R., *The Life of John Hay*, New York, 1915, Vol. II, p. 368.

[2] During September and October, 1903, Emperor Nicholas II visited Darmstadt, Germany. The German emperor warned him that preparations were being made by Japan for anticipated hostilities, to which Nicholas replied that there would be no war because *he* did not wish it.

[3] In the course of an evening function at the Winter Palace, St. Petersburg, in January, 1904, Kurino declared, in conversation with Count Witte, that Japan was impatient with the manner in which Russia was conducting the negotiations and that it was imperative to reach a speedy agreement if war was to be averted. *The Memoirs of Count Witte, op. cit.*, p. 126.

agreed by the belligerents that operations should be limited to Manchuria and that the neutrality of China should otherwise be respected. The people of Japan were enthusiastic, but demonstrations in St. Petersburg organized by the Russian government met with cold response, as the war was very unpopular.

Aleksyeev,[1] the viceroy of Russian territory east of Lake Baikal, was appointed commander in chief. He had been a young naval officer at the time of Grand Duke Alexey Alexandrovitch's voyage around the world and had distinguished himself on that occasion by taking the blame for some acts of indiscretion performed by the grand duke during a carousal in Marseilles and paying a police fine. This act won the friendship of the grand duke, through whose instrumentality Alexander III later appointed him admiral. After the cession of Kwantung province in 1898, Emperor Nicholas II, at the behest of the grand duke, selected Admiral Aleksyeev as the governor. An imperial decree of July 30, 1903, created a new post of His Imperial Majesty's viceroy in the Far East, the incumbent being Aleksyeev. The choice of such a man as commander in chief of the Russian forces aroused a storm of opposition, and the emperor sought to allay criticism by appointing General Kuropatkin commander of the armies in the Far East.[2] Thus a dual command was created, with disastrous results. Aleksyeev and Kuropatkin forwarded contradictory reports to St. Petersburg, and the emperor vacillated between them. The Japanese captured Port Arthur and defeated the

[1] Also spelled Alexeiev, Alexeyev, etc.
[2] February 21, 1904.

Russian army at Mukden. Kuropatkin urged a policy of systematic retreat, while Aleksyeev, from his study, advocated an attack on Port Arthur. In consequence, most of the military measures were directed from St. Petersburg, resulting in a series of reverses. Aleksyeev finally was relieved and Kuropatkin left in supreme command. With the retreat from Mukden he also was recalled, and succeeded by General Linevich, who had demonstrated his prowess by looting the imperial palace in Peking during the Boxer trouble. After the destruction of a second Russian fleet in the battle of Tsushima, May, 1905, the emperor of Russia began to consider proposals of peace,[1] although the Russian army south of Changchun was in no danger and the Japanese could not have inflicted any more damage on Russian possessions. Had the conflict been allowed to continue, the probable outcome would have been a deadlock. The Japanese government had utilized all available funds, supplies, and men in the effort to strike suddenly and effectively before Russia could prepare an adequate defense. This had been entirely successful, but there was no reserve for a long, expensive campaign. Japan had thrown every ounce of strength into the initial attack and was in no position to maintain the pace she had set. Russian finances also were in a deplorable state. During the war the amount of paper currency had increased from six hundred million rubles to one billion two hundred

[1] In January, 1905, the government of the United States notified Austria, Belgium, France, Germany, Great Britain, Italy, and Portugal that the integrity of China and the "open door" in the Orient remained the American policy and invited their views on the subject, in consideration of the approaching peace negotiations. This step was taken to forestall any probable plans to demand concessions of Chinese territory by neutral states.

million rubles. Domestic sources of revenue had been exhausted and foreign credit could not be secured. There was no likelihood of Russia's being able to float either a domestic or a foreign loan, and the war could only be financed, if continued, by new issues of paper money, which would result in a complete financial and economic collapse. Accordingly, when, in the spring of 1905, President Roosevelt asked Russia and Japan to consider peace proposals, both governments were willing to do so. The outcome of the war was a complete surprise to many observers all over the world. At the beginning of hostilities it was commonly predicted that Russia would be able to defeat her tiny adversary with little effort, and that Japan's action in attacking one of the foremost military powers of the world was suicidal. American sympathies, however, were with the Japanese from the outset. It had become the Far Eastern policy of the United States to foster and encourage the development of strong Asiatic states capable of protecting themselves against aggression, and Japan seemed to be well on the road towards the accomplishment of that end. Also, Russia had shown herself to be particularly arrogant and grasping in her Manchurian policy, tending to injure American interests by a disregard of the "open door" principle.

Count Witte and Baron Komura met at Portsmouth, New Hampshire, in August, 1905. The Japanese at first insisted upon the payment of an indemnity, but Russia absolutely declined to consider it. The Russian government had also declared that it would not surrender any Russian territory to Japan. The Japanese government was divided into two factions, one

CHINA
Scale of Miles
0 200 400 600
Great Wall
Palisade Barrier
Grand Canal
Railways completed
Railways under construction or projected
Treaty Ports underlined in red
SIBERIA
LAKE BAIKAL
Strelochnoi
Chita
Kiakhta
Maimaichin
Urga
Manchuria
Mergen
Aigun
Blagoveshchensk
Amur River
Argun R.
Shilka R.
Irtysh R.
BALKHASH LAKE OR DENGIZ
Tannu ola
Kobdo
Tarbagatai
Uliassutai
ALTAI MOUNTAINS
Sasaktu
Sainoin
MONGOLIA
Tsetsen
HEILUNGKIANG
Tsitsihar
Sansin
Harbin
Kirin
Hunchun
Vladivostok
Ili R.
Ili
Urumchi
Kucheng
Turfan
Hami
TIENSHAN MOUNTAINS
Aksu
Tarim R.
Kashgar
SINKIANG
KWENLUN MOUNTAINS
Kokonor
Sining
KOKONOR
Lanchow
Ningh'sia
SUIYUAN
Suiyuan
Paotow
Kalgan
CHAHAR
Chaoyang
Chengteh
Peiping
Tientsin
Taiyuan
SHANSI
Sian
SHENSI
Kaifeng
HONAN
Mukden
Yingkow
Antung
Dairen (Jap.)
Chefoo
Weihaiwei (Br.)
GULF OF CHIHLI
Port Arthur
Söul
CHOSEN
SEA OF JAPAN
JAPAN
Tsinan
Tsingtau
SHANTUNG
YELLOW SEA
Haichow
KIANGSU
Chinkiang
Nanking
Shanghai
ANHWEI
Anking
Hankow
Ichang
Shasi
Wuchang
HUPEH
Hangchow
Ningpo
CHEKIANG
EASTERN SEA
Wenchow
Chengtu
Kangting (Tatsienlu)
Lhasa
Shigatse
TIBET
HIMALAYA MOUNTAINS
NEPAL
BHUTAN
Brahmaputra R.
SZECHWAN
Chungking
Yangtze
Changsha
Nanchang
Pingshiang
KIANGSI
HUNAN
KWEICHOW
Kweiyang
Yunnan
Tengyueh
Mengtsz
KWANGSI
Nanning
Szemao
Hokow
Lungchow
KWANGTUNG
Canton
Swatow
Kowloon
Hongkong (Br.)
Macao (Port.)
Kwangchow (Fr.)
FUKIEN
Foochow
Amoy
Santuao
FORMOSA STRAIT
FORMOSA (TAIWAN)
Tropic of Cancer
Batan Is
Bayan Is
SOUTH CHINA SEA
HAINAN
Kiungchow
BURMA
ANNAM
70 75 80 85 90 95 100 105 110 115 130 135
50 45 40 35 30 25 20
90 95 100 105 115 120 125

demanding the indemnity and the other advocating more moderate terms. American public opinion, at first preponderantly favorable to Japan, was swerving towards Russia, largely because of the attitude of Count Witte during the conference and to his willingness to talk to newspapermen. President Roosevelt at last used his influence with the Japanese delegation to persuade them to drop the demand for an indemnity, and Russia, in turn, agreed to the cession of the southern half of Sakhalin.[1] On this basis, the Treaty of Portsmouth[2] was concluded, September 5, 1905, recognizing Japan's paramount political, military, and economic interests in Korea, transferring Russian rights in the Liaotung Peninsula to Japan, ceding the southern portion of Sakhalin and the southern section of the Manchurian railway to Japan, obligating both Russia and Japan to withdraw their troops from Manchuria, denying any intention of either party to obstruct the application of the principle of the "open door," and declaring that railways in Manchuria, with the exception of lines in the Liaotung Peninsula, should not be constructed for strategic purposes. Thus, the close of the war found Russia relegated to North Manchuria and Japan entrenched in South Manchuria, forming two spheres of foreign influence in the nominally Chinese province.

After suffering defeat at the hands of Japan, Russian policy in eastern Asia became defensive rather than offensive and aggressive. Conciliation replaced arrogance and self-assurance. The Amur Railway was hastily

[1] Also spelled Saghalien.
[2] MacMurray, J. V. A., *op. cit.*, Vol. I, p. 522.

constructed to form a third line of defense.[1] Having experienced much difficulty in moving supplies and troops from Russia and in returning empty equipment simultaneously over the Trans-Siberian Railway during the war, this line was double-tracked. Vladivostok was more strongly fortified in readiness for future attacks. The St. Petersburg Convention of July 30, 1907,[2] bound Russia and Japan to preserve the *status quo* of their respective special interests in China, and three years later the St. Petersburg Agreement[3] provided for the improvement of railroad traffic and the construction of a direct line from Siberia to Peking. A secret agreement of July 4, 1910, arranged for mutual coöperation in the event of foreign interference with their respective interests in Manchuria, after the United States government proposed a plan to internationalize the railways of Manchuria.[4]

By the Treaty of 1881 Russia had acquired important privileges in Ili and along the Mongolian frontier. In accordance with the terms of this pact it was renewed every ten years,[5] and as the time approached for the third renewal, 1911, the Russian government made overtures to Peking. The Chinese government was not desirous of extending the life of the treaty, much to the annoyance of the Russians, and in 1911 Chinese officials began to levy customs duties contrary to its provisions, indicating an evident intention to allow it to lapse. Russia at once began to conspire with Mongol

[1] The first line of defense lay along the Chinese Eastern Railway and the second along the Amur River.
[2] MacMurray, J. V. A., *op. cit.*, Vol. I, p. 657.
[3] *Id.*, p. 803.
[4] Kawakami, K. K., *Japan in World Politics*, New York, 1917, p. 296.
[5] 1891 and 1901.

princes to detach Outer Mongolia[1] from China. The outbreak of the Chinese Revolution threw China into such a helpless state of confusion and dissension that it was not possible to offer any resistance to the independence movement. Although powerless to prevent it, the new Chinese Republican government refused to recognize Mongolian independence. Russia then announced, September 17, 1912, that she considered the Treaty of 1881 as still in force, although the neutral zone established therein was abolished. A treaty was entered into with Mongolia as an independent state, November 3, 1912,[2] pledging Russian assistance in maintaining its autonomy and prohibiting future Chinese colonization or the entry of Chinese troops. In return, Russian subjects were granted freedom of travel and navigation, exemption from customs duties, commercial and residential privileges, and extraterritorial rights. One year later, November 5, 1913, an exchange of notes between Russia and China sanctioned this treaty, after the Chinese government had failed to make Mongolia acknowledge the sovereignty of China.[3] The next step was an agreement of September 30, 1914, whereby Mongolia obligated herself not to grant any railway concessions without the consent of Russia. This commitment has never had any practical value because of the sparse population and arid nature of the country, making railway enterprises unattractive. The final stroke in the formation of this buffer state is found in the tripartite agreement of June 7, 1915, between

[1] Mongolia is divided into two uneven parts, the larger and more remote being Outer Mongolia. Inner Mongolia adjoins China.
[2] *China Year Book*, 1913, p. 567.
[3] *Id.*, 1914, p. 620.

Russia, China, and Mongolia.[1] By the terms of this arrangement, both Russia and China recognized Outer Mongolia as autonomous though under Chinese suzerainty, without the right to conclude international treaties respecting territorial or political questions. Russia and China agreed to abstain from all interference with the internal administration of Outer Mongolia. Customs duties on Chinese and Russian imports were prohibited. Extraterritoriality was established for Chinese and Russian subjects, with mixed courts for mixed cases. The Chinese government obligated itself to consult Russia on all political questions concerning the region. In this way, Russia paved the way for future expansion at the expense of China.

Another indication of the changed relations between Russia and Japan is the secret alliance of July 3, 1916.[2] The two countries made joint pledges to support each other's territorial rights and special interests in the Far East, and Russia ceded to Japan sixty miles of the Chinese Eastern Railway between Changchun and the Sungari River.[3] The Soviet Revolution of 1917 made great changes in these plans, inaugurating many complete reversals of the policies of the former imperial government. The collapse of the Russian government automatically terminated diplomatic relations between Russia and the other countries of the world, and the communistic experiment since carried on caused the

[1] MacMurray, J. V. A., *op. cit.*, Vol. II, p. 1239. For details, see an account by E. T. Williams in the *American Journal of International Law*, 1916, Vol. X, pp. 798–808.

[2] MacMurray, J. V. A., *op. cit.*, Vol. II, p. 1328.

[3] This provision was never carried out because of the overthrow of the imperial government in 1917 and the consequent abrogation of contracts entered into by it.

nations to withhold official recognition indefinitely. The Chinese government, by a presidential mandate of September 23, 1920,[1] announced the close of all official relations with the former régime in Russia, withheld official recognition from the Russian minister in Peking and from Russian consuls in China, and assumed temporary trusteeship over Russian interests in China until a national government should be established in Russia. The Union of Socialist Soviet Republics, by which name the present Russian state is known, designated Lev Mikhailovitch Karakhan as extraordinary plenipotentiary to the Republic of China to conclude an agreement preliminary to the resumption of normal relations between the two states. Mr. Karakhan proceeded to Peking and was successful in negotiating a convention of general principles with the Chinese government, May 31, 1924,[2] to be followed within one month by a conference to arrange the necessary details. Normal diplomatic and consular relations were reëstablished, Mr. Karakhan becoming the first Soviet ambassador to Peking.[3] All treaties or conventions concluded by China with the former Russian imperial government were annulled, along with commitments of that government with third parties respecting China. Similarly, the Soviet government renounced all special rights and privileges relating to concessions

[1] Tong, H. K., *The New Development of Sino-Russian Relations* in *Millard's Review*, October 9, 1920, p. 281.

[2] For text, see Appendix XX.

[3] The Russian Legation was opened with due celebration on October 6, 1924, resplendent in bright red paint, and the Shanghai Consulate was quietly opened on October 9, but no Chinese ambassador to Moscow was definitely announced.

in various parts of China and the right of extraterritoriality and consular jurisdiction.[1] Outer Mongolia was recognized as an integral part of the Republic of China, thus abandoning the policy of expansion of 1912 and 1913. Soviet troops are to be withdrawn from Outer Mongolia in accordance with arrangements made by the conference on detail,[2] at which time national boundaries will be redetermined, commerce and navigation difficulties adjusted, and the conditions fixed under which the Chinese Eastern Railway may be redeemed by the Chinese government. Unsettled conditions in China subsequent to the conclusion of this treaty have prevented the convocation of this conference, but the matter is intermittently discussed by representatives of the Waichiaopu[3] and the Russian embassy in Peking. Apparently anticipating protracted delay in getting this conference to function, a supplementary agreement was concluded to provide for the provisional management of the Chinese Eastern Railway by a board of ten directors, five appointed by each government, one of the Chinese directors to be designated as president of the Board of Directors and director general of the railway. The vice president and assistant director general is a Russian. Other supplementary declarations, under date of May 31, 1924, provide for devoting the Russian share of the Boxer Indemnity to the promotion of education in China, the transfer of Russian government property to Soviet representatives, a guarantee of

[1] The German government also renounced these privileges, May 20, 1921.

[2] In November, 1924, Dr. C. T. Wang had interviews with Karakhan with reference to opening this conference.

[3] Waichiaopu is the name by which the Chinese Foreign Office is known in Peking.

equitable treatment of Russian citizens in the absence of extraterritoriality, and an engagement by the Chinese government to dismiss from its military and police forces all subjects of the former Russian Empire as constituting by their presence a menace to the safety of the Union of Socialist Soviet Republics.

We have now traced in outline the course of Russian policy in the Far East, from its beginnings as a purely economic movement in the sixteenth and seventeenth centuries. Until the middle of the nineteenth century, Russia gave no evidence of political aspirations within the borders of the Chinese Empire. Then, perhaps inspired by British and French precedents at Hongkong and Annam, the Russian government decided not to be outdone in the acquisition of convenient areas in eastern Asia, and forced the Chinese government to cede the Maritime Province and the Amur region. A portion of Ili province next fell into Russian hands. After instigating the combined representations of France, Germany, and Russia which forced Japan to abandon her demand for the Liaotung Peninsula in 1895, Russia incurred the displeasure of the Japanese government and people by herself occupying Port Arthur and Talienwan in 1897. The following year these ports and the hinterland in the Liaotung Peninsula known as Kwantung province were ceded to Russia for twenty-five years. During the Boxer outbreak, Russian troops occupied the greater part of Manchuria, and for the second time the Russian government violated its solemn promises of evacuation. Because of Russian activities in Manchuria and Korea, the Japanese government at first requested and finally insisted upon the

observance of her pledges to withdraw, resulting in the Russo-Japanese War. Japan's phenomenal victory can be attributed to the enthusiasm with which her people and soldiers entered the conflict, the apathy and unpreparedness of the Russians, inefficiency in the Russian high command, corruption in the forwarding of supplies from Europe, and to the existence of the Anglo-Japanese Alliance, which effectively prevented France from supporting Russia and made it impossible for Russia to send reënforcements by sea. An immediate result of the struggle was an acknowledgment of Japan's priority of interest in Korea and the opening of an era of Russo-Japanese coöperation in Far Eastern affairs, culminating in the secret commitments of 1910 and 1916. All plans were disrupted, however, by the sudden overthrow of the Russian imperial government and the creation of the Union of Socialist Soviet Republics with their capital at Moscow. This new Russian government discountenanced the undertakings of the former government and entered upon a policy of cooperation with the Chinese Republic. The newly established state of Outer Mongolia, supported by the government of imperial Russia, was returned to Chinese sovereignty, and many other concessions were made to China in the recently signed but only partially enforced treaty of 1924.

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CHAPTER III

GERMANY'S COLONIAL EXPANSION

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THE Hanseatic League formed in the thirteenth century to protect commerce from Baltic pirates extended its membership and influence until eighty cities in the vicinity of the North Sea were enrolled. Settlements and trading factories were established in remote corners of the earth, over which the League exercised governmental control, but the international character of the corporation prevented the rise of an empire. However, it was an early manifestation of the German colonial tradition, despite the fact that the Hanse merchants were interested only in trade. The city of Lübeck made an unsuccessful attempt to organize a commercial settlement in Morocco. A German contemporary of Christopher Columbus and Magellan made voyages of exploration in the service of Portugal in the fifteenth century. Certain merchants desired to profit by the discovery of America, accepting in 1521 a strip of Venezuela as security for a loan made to the Holy Roman Emperor Charles V, concurrently king of Spain. Adventurous colonists explored much of South America and the Indies, but the great distance between them and their homes, combined with the absence of any support from the League, obliged them to abandon the projects in the face of increasing Spanish hostility. The Hanseatic League dissolved in 1630.

The Great Elector of Brandenburg, Frederick II, favored commercial expansion, realizing that it was closely related to the wealth and prosperity of his country. Accordingly, in 1647, he tried to create the Brandenburg East India Company, with the assistance of a Dutch admiral, in order to share in the exploitation of the New World. Public opinion, however, did not support the plan and it was discarded. Three years later Frederick purchased two Danish posts in southeastern India, but the lack of adequate resources obliged him to relinquish them. Again a Dutch mariner offered his services, placing his entire fleet of merchantmen at the service of Brandenburg. The Great Elector had turned his attention to West Africa and had tried to secure French coöperation in securing a desirable site for a settlement. Failing in this, the Dutch offer was most acceptable, and in 1680 Raule and Blonk sailed for Guinea for purposes of trade and exploration. The Dutch authorities did not welcome the expedition in Guinea or Angola, so its leaders sailed to the northern coast of the Gulf of Guinea, where Captain Blonk was able to conclude a treaty with three negro chiefs, ceding to Brandenburg a section of what is now known as the Gold Coast, between Axim and Cape of Three Points.[1] Frederick then created, in 1682, the African Trading Company of Brandenburg,[2] in which he retained a large financial interest. Many privileges, including the slave traffic monopoly for twenty years, were given this company. Major von der Groeben was sent out in 1683, as

[1] May 16, 1681.
[2] Brandebungische Afrikanische Handelsgesellshaft.

the company's representative, to establish a trading post and a fort to protect it, a nucleus of a German colony. More natives placed themselves under the protection of the company in 1685, necessitating the building of two additional forts. The slave trade developed with great rapidity, and arrangements were made with Denmark for the use of St. Thomas, in the West Indies, as a supply base, without impairing Danish sovereignty. The headquarters of the African Trading Company were removed to Emden, and every facility was given it, but the expected successes did not materialize. The government was unable to supply an adequate naval force to defend the colony against the rising hostility of Holland and, in 1687, a Dutch force took possession of the region. Frederick was unable to prevent or avenge the attack, leaving his son to continue his policy upon his accession as Frederick I of Prussia.[1]

Frederick I was obliged to advance money from the treasury to sustain the tottering Africa Company, but only succeeded in postponing its collapse. Prussian ships occupied Vieques, or Crab Island, in the West Indies, between St. Thomas and Porto Rico, and plans were laid to effect a landing on the Isthmus of Panama, but here Spanish opposition forced reconsideration. Also, the War of the Spanish Succession distracted the attention of Frederick I and opened his oversea posts to attack by France, as well as by Holland and Spain.

Frederick William I mounted the throne of Prussia in 1713 and endeavored to remedy the financial ills

[1] May 9, 1688.

of the Africa Company by transferring its holdings to the East India Company, which had been initiated by the Great Elector just before his death. This expedient failed. Domestic troubles within Prussia, and the need of money to pay his army, induced the king of Prussia to return St. Thomas to Denmark without compensation, and to sell all his African interests to Holland for seventy-two hundred ducats, barely sufficient to meet outstanding claims.

This concludes the first period of German colonialism.[1] The movement was not successful because it was not supported by any public opinion, leaving the Prussian government to bear the heavy burden of ships and men in competition with more powerful rivals. However, it proved to be convenient for the advocates of imperialism in the nineteenth century to cite the foregoing events as a part of a colonial tradition. Frederick the Great considered distant possessions as an unwarranted burden which the state should not be called upon to bear, rejecting suggestions of new possessions in Africa and Surinam in 1786. German emigration to all parts of the world continued, groups being found in North America, Brazil, Mexico, Australia, and Tasmania, of which the larger number settled in the United States. Missionaries, explorers, and travelers contributed to a colonial spirit, aided by writers of political and economical essays. Friederich List was among the most influential advocates of colonies as outlets for surplus population. Others

[1] For a complete account of this period, see Chéradame, A., *La Colonisation et les Colonies allemandes*, Paris, 1905. A brief account is given in Giordani, P., *The German Colonial Empire*, translated by Mrs. G. W. Hamilton, London, 1916, Chap. I.

stressed the need of markets for German trade, pointing out the need of haste if all suitable openings were not to be taken by others. In 1843, many Germans felt the need of colonies and a navy,[1] as evidenced by the negotiations for the purchase of California from Mexico to be used as a region to attract Germans then emigrating in large numbers to the United States. Direct commerce with Africa was reopened in 1844,[2] developing into a trade with Lagos on the west coast and Zanzibar on the east coast. Explorers no longer satisfied themselves with mere scientific reports of their travels and findings but began to urge occupation of desirable territory. Merchants resented the expansion of other European powers in Africa while their own country remained passive, and recommended colonization in Morocco, Tripoli, Tunis, Zululand, and New Guinea. From other quarters came insistent demands for action in Formosa, Hainan, the Philippines, North Borneo, Madagascar, and Uruguay.

Enterprising commercial firms established factories in Liberia in 1849, in Gabon[3] and Cameroons[4] in 1862 and 1864, covering what now comprises Liberia, Sierra Leone, Togoland, Lagos, and Cameroons, and securing a firm grasp on the trade of the entire region. Missionaries engaged in commercial ventures with a regularity and solemnity which led one to believe that trade constituted an accepted part of their mission. The Rhine Barmen Mission of Ottymbingue and the

[1] Greville, C., *Memoirs*, Part II, "Journal of the Reign of Queen Victoria," Vol. II, p. 180.

[2] Coppius, A., *Hamburgs Bedeutung auf dem Gebiete der deutsche Kolonialpolitik*, Berlin, 1905, p. 50.

[3] Also spelled Gabun.

[4] Also spelled Kamerun.

Basel Mission in Togoland maintained large factories in Africa and were supported by heavily capitalized stock companies in Germany.[1] Other Hanseatic traders maintained commercial relations with the east coast in Somaliland and Mozambique and in the South Pacific. The House of Godeffroy located in Samoa and by 1859 monopolized all the foreign trade of the islands, consisting chiefly of copra, sugar, coffee, and cocoa. Numerous branches were established in various parts of Oceania until the influence of this firm was in evidence from the coast of South America to the southeastern shores of Asia.[2] The Godeffroy Museum in Hamburg contains exhibits illustrating the natural history of Samoa and for eight years immediately following the Franco-Prussian War and preceding the dissolution of the company published the *Journal des Museums Godeffroy's.*

Prussia's victory over France in 1871 marked the end of the North German Confederation, the beginning of the German Empire, and considerable agitation in favor of acquiring oversea possessions at the expense of France. The commercial welfare of the new state was urged by many economists, merchants, explorers, and publicists as compelling ground for expansion. Petitions and writings were published calling upon the government to insist upon including French colonies instead of a huge money indemnity in the peace terms. Madagascar, Algeria, Pondicherry, Cochin China, Réunion, Martinique, Guadeloupe, St. Pierre, Miquelon,

[1] Koschitzky, M., *Deutsche Kolionalgeschichte*, Leipzig, 1888, Vol. I, pp. 49 and 104.

[2] *Geographische Zeitschrift*, Vol. V, 1899, p. 494.

and the Tahiti and Marquesas groups of islands were named as being most desirable.[1] Saigon was declared to be necessary as a German naval base to protect Far Eastern commerce instead of relying upon other powers for protection. Bismarck, supported by influential advisers, politicians, and economists, believed that the most important duty of the new German government was to strengthen and develop the German Empire at home. There was no navy sufficiently numerous or powerful to support a colonial policy, and funds were not then available to increase the navy. Colonies would have been a source of weakness rather than of strength, and Bismarck was determined to devote his energies to the more immediate needs of the new Empire, as is aptly illustrated by his much-quoted assertion that German colonial enterprises would place the German Empire in a position comparable to those Polish nobles who wear fine mantles on their shoulders but have no shirt next to their skin.[2] Nevertheless, an excellent opportunity was lost.

Shortly after the Treaty of Frankfort, the German consul notified the German government that the United States had purchased the harbor of Pagopago, Samoa, with intentions to establish a coaling station, and urged that some action be taken to secure possession of some similar base for Germany.[3] The king of Fiji asked for German protection in 1872, and in the same year a German customs commissioner in

[1] Zimmermann, A., *Die Geschichte der deutschen Kolonialpolitik*, Berlin, 1914, p. 9.

[2] Poschinger, H., *Fürst Bismarck als Volkswirt*, Berlin, 1889, Vol. I, p. 63.

[3] For a complete account of German-American relations in Samoa, see Keim, J., *Forty Years of German American Political Relations*, University of Pennsylvania, 1919.

China advised the German Empire to secure a concession or leasehold on the coast of China and to support its nationals in their efforts to arrange trade concessions along the Yangtze River.[1] German colonists in Brazil petitioned for a "modern colonial policy" looking toward the establishment of a foothold there.[2] During the year 1874 another petition urged the annexation of Delagoa Bay and a protectorate over the Transvaal in South Africa,[3] and the sultan of Zanzibar bid for German protection because of fear of England.[4] In 1875 the sultan of the Sulu Archipelago and of Brunei were willing to accept the protection of Germany, thereby assuring a commercial monopoly in North Borneo and adjacent islands for German trade interests.[5] The foregoing are but a few of the many petitions and opportunities which were presented to the German government between 1871 and 1875. To every such suggestion Bismarck replied that the government had neither the money nor the men to undertake colonial enterprises. Public opinion was not favorable, blindly following the lead of Bismarck himself, who also feared international complications should Germany appear to be rivaling Great Britain and France in oversea expansion. Accordingly, whatever colonialism developed during the first five years of the empire was supported only by individual commercial activities. The German government limited

[1] Zimmermann, A., *op. cit.*, p. 11.
[2] *Anlagen des Deutschen Reichstages, 1872*, No. 51 (petition).
[3] Weber, E. von, *Vier Jahre in Afrika, 1871–1875*, Berlin, 1879, Vol. II, p. 543.
[4] Koschitzky, M., *op. cit.*, Vol. I, p. 127.
[5] Herrfurth, K., *Bismarck und die Kolonialpolitik. Geschichte des Fürsten Bismarcks in Einzeldastellungen* Vol. I, Berlin, 1909, p. 6.

itself to a gradual extension of the consular service, depending upon the good will of other countries to show fair play to German commerce in their colonial possessions.

The indifference of Bismarck to the colonial idea underwent notable transformation in 1875. Great Britain had annexed the Fiji Islands the preceding year, soon after Germany had neglected her opportunity in 1872, and promulgated a Statute of Limitations canceling all native debts contracted prior to 1871. This resulted in heavy losses for German merchants who had controlled most of the trade with the Fijians, accepting long-term promises to pay. Bismarck's policy of reliance upon the good will of other powers was severely shaken, and fears were entertained as to the probable fate of other independent islands in the South Pacific. In Samoa, an American agent named A. B. Steinberger, a naturalized German, succeeded in establishing a local government under the patronage of Godeffroy and Son, of Hamburg,[1] with whom he negotiated while yet in the employ of the United States government. Although his actions were at once repudiated by the United States, he proclaimed an American protectorate over the islands. Great Britain intervened to support a new native king against another claimant to the throne, thereby involving American, English, and German interests. American and Australian newspapers advocated the definite annexation of the group by the

[1] The agreement concluded with the German company is reported in full in United States, Congress, House of Representatives, *Executive Documents, 44th Congress, Second Session, 1876–1877*, Vol. IX, Document 44, Inclosure i.

United States and England, and German settlers began to demand official protection for their interests. Bismarck's reliance upon reciprocity received another setback when the Spanish governor-general of the Philippines seized the cargoes of German ships which had been collected in Spanish islands.[1] The Spanish government subsequently notified Germany that merchantmen bound for the Caroline Islands would be required to put into Manila first to pay customs duty.[2] The German government protested against this action by Spain, denying the right of Spain to assert control over regions wherein German merchants had founded factories, and the Spanish authorities refrained from enforcing the ruling.[3] The attention of the British government was called to the discriminatory regulations in force in the Fiji Islands, but the German ambassador in London only received the evasive reply that the matter would be referred to the Colonial Office for investigation. Protests being unavailing as remedies for the evils and dangers confronting German trade in the South Pacific, the imperial government embarked upon a more effective policy.

The German *S. S. Gazelle* was dispatched to cruise in the Pacific Ocean, visiting German settlements and establishing friendly relations with native chiefs. On December 13, 1875, the vessel arrived in Tonga and was very cordially received by the ruler. Another German ship was sent to Tonga late in 1876, the

[1] *Anlagen des Deutschen Reichstages, 1875*, Akenstück No. 205, p. 556.
[2] Koschitzky, M., *op. cit.*, Vol. II, p. 279.
[3] Great Britain dispatched a similar communication to Madrid, but the Spanish officials continued to discriminate against English and German merchants and ships in other ways.

captain of which signed a commercial treaty with the king of Tonga granting to Germany the privilege of maintaining a naval station there.[1] Such a departure from former imperial policy occasioned debate in the Reichstag in April, 1877, but approval was voted with the understanding that the treaty was merely a means of protecting German commerce and not of political significance.[2] The German government steadfastly refused to consider any proposals for the establishment of colonies and never took advantage of the right to the coaling and naval base authorized by the Tongan treaty. Further protection was accorded the traders by an agreement with Spain on March 11, 1877, opening the Sulu Islands to English and German commerce.[3] Civil disturbances in Samoa were not settled by the arrest of Steinberger by the United States government in 1877, and the German consul entered into a convention with both native factions, guaranteeing protection to German residents and interests and assuring the Samoans of the neutrality of the German Empire. Great Britain thereupon intervened to protect her nationals, and the United States declined to accept the islands as a gift offered by a Samoan chief visiting Washington, although the American government did take possession of Pagopago (Pangopango)[4] and agreed to use its good offices in future disputes between Samoa and other states.

[1] Hahn-Wippermann, *Fürst Bismarck, Sammlung der Reden, Depechen, Staatsschriften und politischen Briefen*, Berlin, 1878–1891, Vol. V, p. 5.

[2] *Verhandlungen des Deutschen Reichstages, April 20, 1877*, p. 634, *Anlagen des Deutschen Reichstages, 1877*, Aktenstück No. 80, p. 283.

[3] Cf. p. 80, footnote 1.

[4] The compact of 1872 had not been approved by the United States, although the natives had believed it binding and had faithfully observed it.

Germany objected to this arrangement as a violation of her convention of 1877 and sent naval vessels to Apia. Americans were subjected to indignities and preparations were made to erect fortifications. British and American warships also arrived on the scene. A Samoan-German treaty was signed, January 24, 1879, infringing the most-favored-nation principle by granting special commercial privileges to Germans. A coaling station was acquired at Saluafata on Opolu Island.[1] German agents also negotiated agreements and treaties with the rulers of other islands in the vicinity, providing for coaling stations and trading posts in the Society Islands, the Marshall Group, the Gilbert Islands, the Ellice Islands, and the northern coast of New Guinea. As on the occasion of the Reichstag's approval of the treaty with Tonga, the government declared, through the statements of Minister for Foreign Affairs von Bülow, that there was no intention to place the German settlements in the Pacific Ocean in the status of colonies and that the only aim was to guarantee protection to German commercial interests.[2] Individual members of the Reichstag expressed the fear that acquisition of such bases would infringe local sovereignty to the extent that they in effect would become outlying portions of German territory, but the treaties were approved by a large majority, June 16, 1879.

The suspicions of the opponents of the insular policy were partially confirmed within six months. The rival factions in Samoa continued to dispute the

[1] *Anlagen des Deutschen Reichstages, 1879*, Aktenstück No. 239, p. 725.
[2] *Verhandlungen des Deutschen Reichstages, June 13, 1879*, p. 1603.

control of the native government, supported by German, British, and American representatives. Sir Arthur Gordon, English governor of Fiji, had assisted his candidate to depose the king who had been placed on the throne by the German Treaty of January 24, receiving therefor the grant of a naval base. In order to contest the predominant position in which Great Britain was thus placed, the German consul negotiated an understanding between the three powers aboard the *U. S. S. Lackawanna* whereby they agreed to support the present king and to establish a tripartite administration of Apia.[1] This action overstepped the policy of trade protection, to the great joy of the advocates of a positive colonial policy, who now openly hailed official support of what had heretofore been a private enterprise. Among the considerations which influenced Bismarck to change his views concerning colonialism must be mentioned emigration, the fate of the Germans in Fiji after English occupation, the resultant pressure of agitation in Germany itself, and the increasing colonizing activities of Belgium, France, Great Britain, and Portugal. German emigration had been increasing ominously since the Franco-Prussian War. Almost one million Germans left the Fatherland in the decade 1871–1881, over ninety per cent of whom settled permanently in the United States. As the military strength of Germany was correspondingly impaired, colonies were urged as attractions for emigrants who would thus remain under the German flag. Petitioners were now

[1] *Anlagen des Deutschen Reichstages, 1880,* Aktenstück No. 101, p. 728.

courteously received by the chancellor, Bismarck, instead of being met with brusque declarations that the empire wanted no colonies. In the words of a contemporary, writing in 1879, the former consistently anti-colonial temper of the government was being modified so that its policy seemed to be "not yet" rather than "not at all" or "never."[1] Numerous pamphlets, books, and brochures kept the issue constantly before the public in the hope of creating wide discussion and exchange of views. Efforts were made to organize a political party pledged to the acquisition of colonies, in order to be able to exert pressure upon the chancellor and his government, particularly as Bismarck needed support for his domestic policies.

Godeffroy and Son had undertaken the organization of a stock company to control its Pacific trade, retaining a majority of the shares. Unfortunately, in 1879, serious financial difficulties confronted the firm, and it was found to be impossible to realize any private relief in Germany.[2] As a last resort Godeffroy's shares in the Deutsche Handels und Plantagengesellschaft der Süd See Inseln, chartered in 1878, and large landholdings in Samoa were transferred to the London financiers, Baring Brothers, as security for a loan. This expedient failed completely and German trade interests were faced with the probability that Great Britain would secure a paramount control of the South Pacific commerce. The failure of Godeffroy and Son also threatened to undermine German prestige in Samoa, where the tripartite protectorate

[1] Fabri, F., *Bedarf Deutschland der Kolonieen*, Gotha, 1879, p. 55.
[2] Coppius, A., *op. cit.*, p. 67.

had been established. Something must be done, and an appeal was addressed to Bismarck, who agreed to the incorporation of a new company to be known as Die Deutsche See Handelsgesellschaft, partially financed by the imperial German government.[1] In January, 1880, a plan was introduced whereby an annual subsidy of four per cent of the total capitalization of the company, not to exceed three hundred thousand marks, would be paid by the government for twenty years. The loan was to be repaid by the company from the excess profits. The Deutsche Handels und Plantagengesellschaft der Süd See Inseln, of 1878, and the Deutsche See Handelsgesellschaft, of 1880, were combined under one management, in which the German government was to be represented.[2]

The Reichstag Opposition challenged the bill on the ground of colonialism, while the government appealed to patriotism to defend German property and interests, in continuation of the policy of trade protection. Official organs declared unequivocally that no colonialism was intended or implied, while other supporters openly stated that the bill was another step in that direction. That public opinion in Germany was not yet prepared to support a colonial policy is indicated by the decisive vote against the Samoan Subsidy Bill and by the fact that almost one hundred fifty members refrained from voting. This defeat caused the chancellor to withdraw all open official support from the colonial movement, although he does not seem to have discontinued

[1] Poschinger, H., *Fürst Bismarck als Volkswirt*, Berlin, 1889, Vol. I, p. 269.
[2] *Id.*, p. 166.

secret and private encouragement of the private interests which assumed the financial burden of the proposed company in order to preserve German control in the South Seas.[1] Undiscouraged, the colonial party redoubled its propaganda and political efforts in order to regain government backing. Attention had been directed overseas and the continual expansion of British and French political and commercial control aroused the envy and anxiety of the German people. Hence, the failure of the subsidy bill served to focus public attention upon the outlying trading posts and to develop a sense of national responsibility for their protection. Societies for the study of geography and colonization were formed, similar in purpose to those constituted between 1840 and 1850, but they were unrelated and lacked any unifying and coördinating management. In order to supply such a centralized organization the Kolonialverein was projected, to embody all persons of whatever special interest who were desirous of advancing the general program of expansion and colonialism. Appeals for members were circulated in the newspapers. All points of view were assimilated and the society was inaugurated at Frankfort, December 6, 1882.[2] Its objects were declared to be to educate public opinion; to be a central organization to advance colonial ambitions which would not present serious political difficulties for the government to overcome; and to encourage

[1] Poschinger, H., *Aktenstücke zur Wirtschaftspolitik des Fürsten Bismarcks*, Berlin, 1890, Vol. I, p. 332.

[2] The official organ of the Kolonialverein became *Die Deutsche Kolonialgesellschaft*, 1884, from which a complete account of its development may be secured.

the establishment of trading posts under official protection. These aims were realized by publication of information, financing lecturers, and installing branches throughout the country. Indeed, the German flag was actually hoisted under the society's auspices in Paraguay in 1883, but the government did not sanction the act.[1]

During the earlier periods of colonial agitation, the literature on the subject had been privately published. After 1881, however, we find periodicals dependent upon private subscription giving more and more space to articles presenting the idea in a favorable light. Even semiofficial organs such as the *Pressiches Jahrbuck* contained such articles, indicating that the government was maintaining a position of watchful waiting and did not oppose the movement. The gradual change of public sentiment is also evidenced by the slow disappearance of antagonistic literature. Old books[2] which had urged expansion were reissued along with many new works,[3] although one outstanding new book outlined all the objections to colonization, based on financial and political grounds.[4]

Although officially uncommitted to a colonial policy, Bismarck followed events with a watchful eye. Shortly after the downfall of the Samoan Subsidy Bill, other petitions were received by the chancellor urging a state subsidy to enable a private firm to purchase

[1] *Die Deutsche Kolonialgesellschaft*, 1884, p. 26.

[2] Roscher, W., and Jannarsch, R., *Kolonieen, Kolonialpolitik und Auswanderung*, Leipzig, 1856, reappeared in 1885.

[3] Hübbe-Schleiden, *Deutsche Kolonisation*, Hamburg, 1881; *Uberseeische Politik*, Hamburg, 1881–1883; *Koloniisationspolitik und Kolonisationstechnik*, Hamburg, 1883; Deckert, E., *Die Kolonialreiche und Kolonisationsobjecte*, Leipzig, 1885; Oberländer, *Deutsch-Afrika*, Leipzig, 1885.

[4] Stegemann, R., *Deutschland's Kolonialpolitik*, Berlin, 1884.

land in North Borneo and to assist a contemplated line of steamships between certain South Pacific islands. To these he turned a deaf ear. Nevertheless he allowed the official press to discuss a proposal for a steamship line from Germany to the Far East. Apparently encouraged by the reception of the idea, Bismarck presented to the Reichstag a memorial, May 27, 1881, pointing out the necessity of subsidizing such a line.[1] To his surprise, the memorial was entirely disregarded by the Reichstag, thereby giving warning of the unfriendly attitude of the majority, and the chancellor immediately dropped the matter so as to avoid a second repulse, which might seriously undermine his position. Appeals of the Rhine Barmen Mission and of certain adventurers who had succeeded in establishing friendly relations with negro chieftains in Africa were summarily dismissed, and when in 1883 the annexation of Formosa was proposed, Bismarck replied that no country in which party spirit overrode national spirit could possess colonies, particularly if the legislature were occupied principally with creating difficulties for the administration.[2]

Bismarck, however, was able to aid certain commercial interests quietly. Since 1842, the Rhine Barmen Mission had maintained a station in Namaqualand, on the southwest coast of Africa between Cape Colony and Portuguese Angola, but no attempt had been made to occupy the territory in the name of any of the German states. With the annexation of the Orange River Colony in 1850 the British government

[1] *Anlagen des Deutschen Reichstages, 1881,* Aktenstück No. 200.
[2] Zimmermann, A., *op. cit.*, p. 46.

declared its opposition to any further extension of English territory in South Africa and subsequent cabinets in London upheld this resolve despite invitations by missionaries and natives. When the governor of Cape Colony advocated the acquisition of the intervening region between his domains and Angola in 1867, the British government rejected the idea, limiting itself to the occupation of some guano islands near Angra Pequena. In 1878, possession was taken of Walvis (Walfish or Whale) Bay, the best harbor along that part of the coast, but no attention was paid to the remainder by the English authorities. Tribal warfare broke out in 1880, causing German settlers to seek imperial protection. The German government thereupon asked Great Britain if it would accord the same protection to German subjects as to English. This request was granted, but with a distinct assertion that British territory only embraced Walvis Bay and the immediate hinterland, and that the British government could assume no responsibility for occurrences elsewhere. No further steps were taken at that time; but, in 1882, a German merchant from Lagos, named F. A. L. Lüderitz, inquired if he might be supported in opening trade relations with the natives in Namaqualand. Bismarck privately assured him of backing, at the same time informing Great Britain of the plan in order to ascertain whether the British government were prepared to protect property acquired by Lüderitz.[1] His evident intention was to permit the English to exercise whatever prior rights they might claim, but no definite reply was received in Berlin for

[1] *Die Deutsche Kolonialgesellschaft*, Berlin, 1908, p. 32.

almost a year, the delay being due to the reference of the question to the authorities of Cape Colony. Meanwhile, Lüderitz took possession of Angra Pequena in April, 1883, and made treaties with native rulers granting him sovereign rights over a large territory.[1] German naval vessels were sent to the region early in 1884. Circulation of reports of these exploits convinced the chancellor that public sentiment was becoming more favorable to colonial ventures and he determined to test it by inviting suggestions as to the best way to advance German commercial interests in Africa. Responses to this invitation were encouraging, and the government detailed warships to the coasts of Africa to coöperate with existing and newly created consulates.[2]

The claims of the former German residents of Fiji were again presented to the British government in 1883, with a suggestion that they be referred to a joint commission. Reluctantly England consented to this plan in 1884, after the question had attracted considerable publicity in Germany in favor of acquisition of German colonies wherein German rights might be safeguarded. Occupation of New Guinea in 1882 by the Australians, although repudiated by London, served to spread the feeling of insecurity among the German settlers in the South Pacific islands. The seriousness with which Australia viewed the situation can be surmised from the nature of resolutions adopted by an intercolonial conference in Sydney late in 1883 proposing the organization of a league of Australian

[1] Chéradame, A., *op. cit.*, p. 72.
[2] Hahn-Wippermann, *op. cit.*, Vol. V, p. 22.

communities, the annexation of New Guinea and other near-by islands, and protests against foreign annexation of any territory south of the equator.[1] Consular reports and private complaints sent to Berlin emphasized the importance of early action.

No definite conclusion having been reached in the conversations and exchange of notes with Great Britain relative to Lüderitz's action in Southwest Africa, Bismarck determined to delay no longer in declaring the existence of German protection over the coast and hinterland between the Orange River and Angra Pequena, sending official notice to the British Foreign Office, April 24, 1884. Two events which undoubtedly aided the chancellor in rallying popular support to this definite step in the direction, of colonization were the signing of the Anglo-French Convention, June 28, 1882,[2] imposing high tariffs and delimiting mutual possessions on the west coast and the Anglo-Portuguese Convention, of February 26, 1884,[3] restricting the freedom of trade on the Congo River. German commercial interests were greatly affected by these treaties and demanded some redress at the hands of their own government. Popular feeling ran particularly high against the British as the prime monopolists, and Bismarck notified the Portuguese government that his government could not recognize the validity of the treaty.[4] France joined with Germany in insisting upon the "open door" in the Congo

[1] Koschitzky, M., *op. cit.*, Vol. II, p. 236.
[2] Hahn-Wippermann, *op. cit.*, Vol. V, p. 32.
[3] *Id.*, p. 432.
[4] *Id.*, p. 473.

trade, resulting in an international conference convened in 1884 to adjust the matter and placing the German government before the people as championing their commercial rights. In May, 1884, the government of Cape Colony announced to the British Colonial Office its belated intention to establish control over the southwest coast as far north as Walvis Bay, calmly ignoring Bismark's protectorate as announced on April 24. The English government, however, realized that the time for such action had passed and that Germany would not be disposed to retreat after having made such extended inquiries concerning the region and having had no specific assertions of any British claim. The chancellor had initiated a program of colonial expansion oversea, but the consent or approval of the Reichstag remained to be secured.

The struggle between the opposing camps in the legislature centered about the Steamship Subsidy Bill, which the government introduced to provide financial aid to the extent of four million marks a year for fifteen years to designated steamship lines maintaining regular service between Germany, China, Japan, Australia, and Oceania.[1] Bismarck attended meetings in person to urge the passage of the bill as an index of future colonial policy. The Kolonialverein coöperated with the administration leaders, its membership increasing significantly as the debates continued. Business associations congratulated the chancellor upon his stand and the outlook seemed promising until the Opposition in the Reichstag introduced tactics calculated to obstruct and impede the passage

[1] *Anlagen des Deutschen Reichstages, 1884*, Aktenstück No. 111.

of the measure. In this way the bill was prevented from coming to a vote before the end of the session, June 28, 1884, but the voice of the people made itself heard in the election of a new Reichstag in October, in which the Opposition suffered heavy losses.

During the period of debate on the Steamship Subsidy Bill in two Reichstags and the time between sessions, the imperial government busily proceeded to create a colonial empire to be used as a weighty argument. Agents were active in many regions of Africa. A delegation of Boers from the Transvaal visited Berlin, presumably to cement friendship and to discuss terms upon which Germans might migrate to South Africa. A railroad was projected from St. Lucia Bay in Zululand to Pretoria, the capital of the Transvaal, but the English moved more quickly and raised their flag in Zululand in December, 1884. Other German plans in Bechuanaland were frustrated by British occupation early in 1885. Dr. Nachtigal was appointed consul on the West Coast and directed, in May, 1884, to place Cameroons and Togoland under imperial protection. Great Britain was notified of the departure of Dr. Nachtigal to secure commercial data and to conduct negotiations "on certain questions," but no action was taken to forestall the Germans in this region. Accordingly, the consul acted with promptness and dispatch, so that public announcement of the accomplishment was made October 13, 1884,[1] thereby implanting German influence at three points (including German Southwest Africa) along the western

[1] Hahn-Wippermann, *op. cit.*, Vol. V, p. 36.

coast of the Dark Continent. The effort to acquire possession of the island of Fernando Po, under the Spanish flag, was unsuccessful, as Spain declined to part with it. A German consul was also detailed to Zanzibar, on the east coast, causing uneasiness in London until an assurance was received that no protectorate would be undertaken. However, the Society for German Colonization had secured title to territory just beyond the realm of the sultan of Zanzibar by making treaties with native chiefs. The German East Africa Company was incorporated soon thereafter, and in February, 1885, it received an assurance of official protection for its exploitation of what became known as German East Africa.[1] The activities of an English firm necessitated specific boundary agreement which was accomplished in 1886. Maladministration by the East Africa Company caused the imperial government to purchase its rights along with a strip of seacoast from Zanzibar in 1890. An agreement with Great Britain defined their mutual territories in which Germany ceded large tracts to England in exchange for the island of Helgoland (Heligoland) in the North Sea. Kaiser Wilhelm II was eager[2] to secure possession of this island in order to strengthen the defenses of the Elbe and Weser rivers and of the Kiel Canal, although much criticism was hurled at him for parting with such large portions of East Africa in order to acquire a barren rock.

As was expected, the African policy aroused vigorous opposition in the Reichstag, demanding that the

[1] Hahn-Wippermann, *op. cit.*, Vol. V, p. 163.
[2] Wilhelm II, *The Kaiser's Memoirs*, translated by T. R. Ybarra, New York, 1922, p. 56.

government offer explanation of its conduct and objects. But the composition of the New Reichstag, which assembled in November, 1884, encouraged Bismarck to defend his plans openly, branding his opponents as un-German and cowardly. The original subsidy introduced into the Bundesrat, April 23, and into the Reichstag, May 23, 1884, was amended by the chancellor by adding fourteen hundred thousand marks to cover an additional steamship line to Africa. The debates resolved themselves into bitter personal assaults upon the leaders of both sides, and the Opposition resorted to the low practice of rejecting any proposal on any subject which was advocated by the government.[1] The effect of such unstatesmanlike tactics was to awaken public opinion to the support of the administration, expressed in telegrams and memorials addressed to the chancellor commending his position and offering assistance. The presence in Berlin of the Congo Conference, convened to negotiate regulations and principles governing the navigation of the Congo River during the closing months of 1884, made it necessary that the imperial government should be supported in its efforts to force international recognition of Germany's right to be consulted in colonial matters. Resolving to utilize every possible advantage accruing from the situation, Bismarck issued official statements, known as White Books, markedly anti-English in tone in order to further arouse German sentiment.[2] Unsubstantiated charges of inciting

[1] Requests for appropriations for additional clerk hire, for increased personnel in the Foreign Office, for extensions of the consular service, were voted down.

[2] *Weissbücher*, 1884–1885.

African natives against the Germans were hurled at the British ambassador in Berlin for the sole purpose of leading the German people to look upon England as the archvillain in a plot to suppress and limit Germany's development. The persistent sallies of the German government could not fail to bear fruit. English reaction took the form of placing obstacles in Germany's path, thereby affording the chancellor the opportunity of illustrating his assertions heretofore unfounded. German reaction manifested itself in the slow retreat of the Reichstag Opposition, commencing with an appropriation, voted on January 10, 1885, placing naval vessels at the disposal of the governor of Cameroons.[1] Other appropriations were provided for exploration and consular expenses; and finally, March 23, 1885, the Steamship Subsidy Bill was approved by a large majority, marking the beginning of national support of colonialism.[2] Bismarck, after having convinced himself of the value of colonies in constructing a powerful Germany, had managed to secure public approval of his new policy despite tremendous difficulties.[3]

German and English commercial interests had come into conflict in the island of New Guinea. A British company had been chartered in 1881 and the German government had guaranteed protection to the Neu Guinea Kompagnie. The latter firm had outfitted

[1] *Der Europäischer Geschichtskalender*, January 19, 1885.

[2] The weakening of the Opposition can be traced in the *Stenographische Berichts über die Verhandlungen des Deutschen Reichstages, January 10–March 23, 1885.*

[3] For the best account in English of the domestic political struggle over colonialism, see Townsend, Mary E., *Origins of Modern German Colonialism, 1871–1885*, Columbia University, 1921.

an expedition to acquire territory on the northern coast of New Guinea beyond the Dutch portion of the island, and Australia had acted quickly by asserting British possession of the unappropriated section of New Guinea as well as of other near-by islands. Feeling ran high in Australia, England, and Germany, the latter bidding for French support in pursuance with the policy followed in the case of the Congo River episode. The situation was suddenly changed by the fall of the Ferry cabinet in France, March 30, 1885, because of the failure of French arms in Annam and Tonkin (Tongking), Indo-China. Bismarck feared that a new government in Paris might not be so willing to coöperate with him, and accordingly began to make overtures to Great Britain. Count Herbert Bismarck, the son of the Iron Chancellor, was sent to London to bargain for British generosity in the Pacific in exchange for German nonintervention in Egypt. An agreement was reached concerning New Guinea late in April, 1885, acknowledging Germany's right to a large area in the northern part of the island and asserting British sovereignty over the southern portion, east of the Dutch preserves. Disputed islands were divided between the two powers, Germany receiving a fair share.[1] Although coaling stations had been acquired in 1878 and 1879, the acquisition of a portion of New Guinea, renamed Kaiser-Wilhelmsland, and of the adjacent islands, newly christened New Pomerania, New Mecklenburg, and the Bismarck Archipelago, constituted the first formal German protectorates in

[1] Dawson, W. H., *The German Empire, 1867–1914*, New York, 1919, Vol. II, p. 208.

the Pacific Ocean. Within a year German authority was extended to some of the Solomon Islands. Until 1899, the Neu Guinea Kompagnie was permitted to exploit and administer the region without interference, but in that year the Reichstag authorized the government to reimburse the company to the extent of four million marks[1] and to introduce direct control. This system of administration by commercial companies had been Bismarck's idea, limiting imperial action to protection, but its greatest weakness was the financial instability of the corporations. Funds were exhausted in taking possession of large tracts of land, leaving no money for administration. Furthermore, the firms were more interested in commerce than in administration.

German representatives next sought to secure title to the Palau (Pelew), the Caroline, and the Marianas (Marianne) Islands, north of New Guinea near the equator. Spain had asserted ownership but paid no attention to them until Germany planned to open a coaling station on some one island. The resultant controversy between the two countries was referred to Pope Leo XIII for arbitration, the decision sustaining Spain's sovereignty subject to the obligation to make it effective by maintaining a satisfactory government in the islands. Germany's request for a coaling and naval base was granted, but the German government did not avail itself of it.[2] A company known as the Jaluit Gesellschaft enjoyed a monopoly of the trade

[1] Giordani, P., *The German Colonial Empire*, translated by Mrs. G. W. Hamilton, London, 1916, p. 49.
[2] *Id.*, p. 50.

with the natives, and in 1889 Spain sold the islands to Germany. No objection was raised by any European state to German occupation of the Marshall Islands in 1885, seven years after a coaling depot had been established there at Jaluit. An understanding with Great Britain in 1889 strengthened Germany's title to the Marshall Group.[1]

Municipal government in Apia, Samoa, under the control of the consuls of Germany, Great Britain, and the United States, as stipulated in the arrangement of 1889, had not been satisfactory. Rivalry among native aspirants for the throne continued unabated, and in 1885 the German consul assumed complete control, under the German flag, on the pretext that German interests had been compromised.[2] The Germans were by far the most numerous and the most aggressive of the foreign community, holding the most valuable properties and enterprises. The German government disavowed the peremptory action of its consul, who had forced the king of Samoa to consent to his assumption of authority, but it was thought necessary to hold a conference of the powers concerned in order to attempt some other solution. This meeting, held in Washington in 1887, was unproductive of results, and the domestic disturbances in Samoa continued. German meddling with local affairs caused both Great Britain and the United States to send warships to Apia in 1889, cleared for action. Fortunately for international peace, a severe tropical

[1] Giordani, *op. cit.*, p. 53.
[2] Johnson, W. F., *America's Foreign Relations*, New York, 1917, Vol. II, p. 144.

storm destroyed all the assembled vessels except the *H. M. S. Calliope* (British) which managed to fight its way through the elements to safety in the open sea. The next step was a second conference, this time in Berlin in 1889, at which the natives were again acknowledged to have the right to manage their own affairs in general, with foreign control of Apia.[1] This likewise proved unsatisfactory as a joint protectorate. Upon the death of the king of Samoa in 1898 the old hostilities and rivalries recurred, and the powers again intervened. A commission appointed to investigate conditions recommended a provisional government without a king, but tripartite control had never been successful and Germany proposed partition of the islands. The United States was given all islands west of 171° west longitude, including Tutuila (Pagopago), while Germany acquired the remainder of the group. As compensation for British coöperation and willingness to allow Germany such liberty of action, Great Britain was given unchallenged ownership of the Tonga Islands immediately to the south.[2]

This completes a survey of German colonization or expansion in Africa and in the Pacific Ocean. The German flag floated over the Pelews, the Carolines, the Marianas or the Ladrones, the Bismarck Archipelago, the Marshalls, most of Samoa, and part of New Guinea. Imperial administration was substituted for commercial about 1890 in an attempt to correct abuses and mismanagement, but German officials were as yet inexperienced in such duties. They had

[1] Foster, J. W., *American Diplomacy in the Orient*, Boston, 1903, p. 394.
[2] Johnson, W. F., *op. cit.*, Vol. II, p. 158.

no precedents for guidance. Many of the men selected were inefficient and immoral, reflecting discredit upon the German Empire from without and upon colonialism from within. However, time remedied the situation. Higher types of men were attracted to colonial service. A special colonial office was created and the government made rapid strides. We have yet to review German activities on the mainland of Asia, where all that is best of German colonial administration manifested itself.

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CHAPTER IV

GERMAN POLICY IN CHINA

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PARTICIPATION by Germany in the Russian scheme forcing Japan to abandon her claim to the Liaotung Peninsula at the conclusion of the Sino-Japanese War in 1895 marks the beginning of a definite policy of imperialism in eastern Asia. France and Russia each received material compensation from China for their shares in restraining Japan, and the German government began quietly to lay the foundation for similar tokens of appreciation by China. As early as 1869 a German geologist and geographer, Ferdinand Baron von Richthofen, had traveled in China and suggested the desirability of a naval base on the coast of Shantung. The Russian fleet, with the permission of the government of China, spent the winter of 1895–1896 in Kiaochow Bay but for various reasons reported unfavorably upon the bay as a permanent base. During the years 1896 and 1897 German scouting vessels visited Kiaochow, making soundings and observations. Admiral von Tirpitz, then in command of the German Far Eastern Squadron, requested that his government send an authority on harbor construction to examine the bay.[1] Meanwhile, Emperor William II of Germany met Emperor Nicholas II of Russia at Peterhof in the summer of 1897. The

[1] Georg Granzius, the chief engineer of the Kiel Canal, reached China in January, 1899, and reported favorably on the site.

rulers discussed Kiaochow as a naval base, the emperor of Russia withdrawing all claim to the bay and tacitly agreeing to the plan of William II to take possession thereof. Further evidence of the approval of Russia and of the intentions of Germany is found in the statement of Baron Marschall von Bieberstein, imperial foreign secretary, before the Reichstag. He declared that the interests of Germany and Russia were not confined to Europe and that those "extra-continental interests would in all probability furnish an opportunity for acting in harmony with the power with which we coöperated last year."[1]

Having decided upon a policy of aggression in the Far East and having secured the moral support of Russia, the German government carefully sounded China on the subject of ceding a desirable harbor. Negotiations were unproductive of results, the Chinese government being unwilling to dispossess itself of territory, but bandit activities in the southwestern part of Shantung province afforded a timely opportunity for German intervention. A band of about thirty robbers attacked Kaichwang, near Yenchowfu, November 1, 1897, plundering the village and causing some fatalities. Among the deaths were two German missionaries, Franz Nies and Richard Henle, members of a French Roman Catholic society which but a few years before had been expelled from Germany. A third man named Stenz escaped. The Chinese authorities did everything in their power to bring the outlaws to justice, but the German government was

[1] *Atlantic Monthly*, January 15, 1896, pp. 124–126.

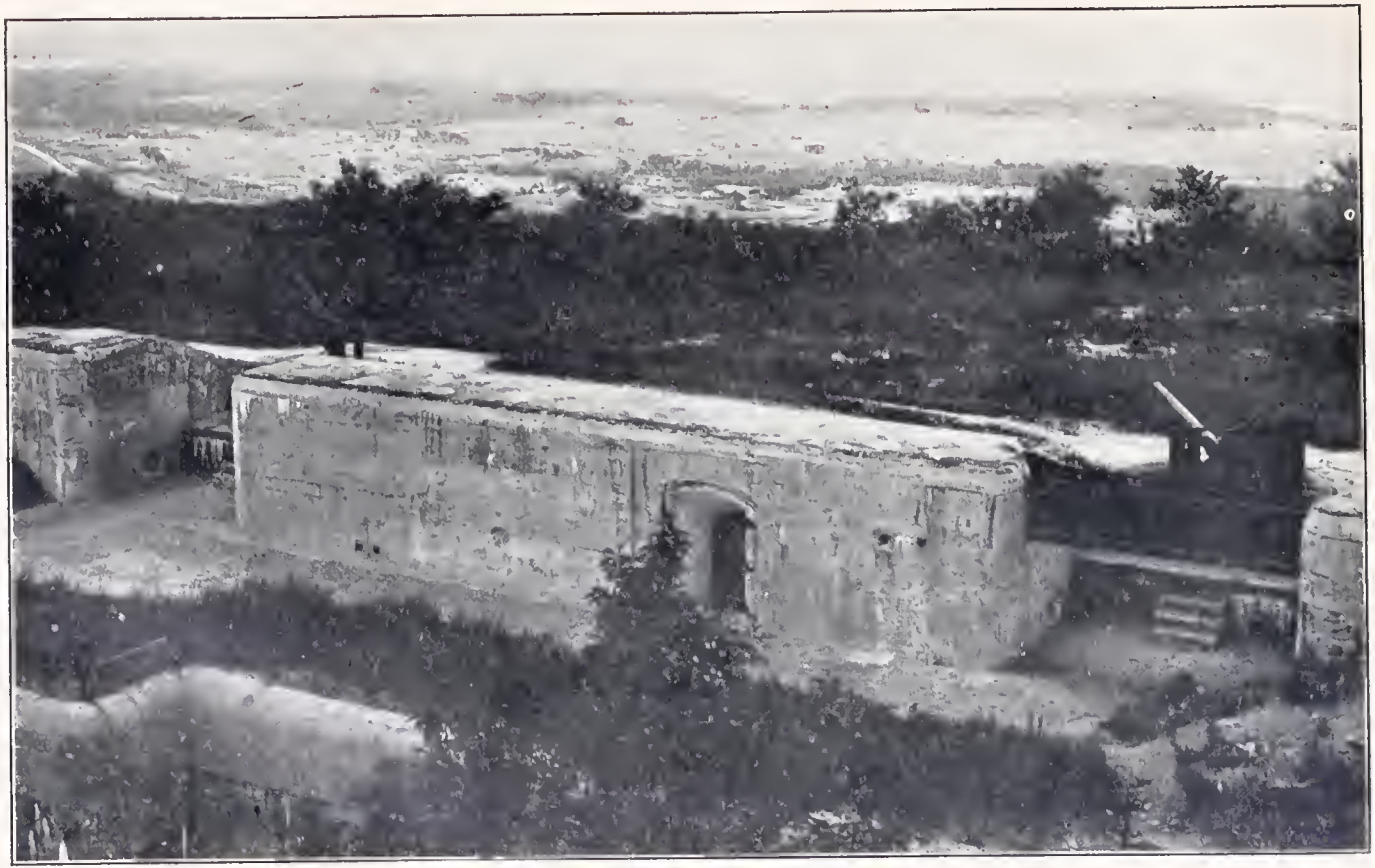
intent upon material compensation. Admiral von Diederichs, then at Shanghai, was ordered to proceed to Kiaochow Bay with four cruisers. In fulfillment of his instructions, von Diederichs left Shanghai on November 10 and hove to off the entrance to the bay, November 13. A party of German naval officers was landed to pay respects to the Chinese commandant and to announce their desire to hold naval maneuvers in Kiaochow Bay. The Chinese officer, unsuspicious of his callers, invited them to remain ashore for dinner with him, after the usual compliments had been exchanged. On the morning of November 14, the cruisers landed six hundred marines to take possession of strategic points, followed by the main force of sailors. The Chinese commander with his staff expressed his appreciation of the opportunity to see the German forces under arms and many Chinese and German soldiers exchanged greetings and courtesies. When all important points were occupied and the admiral's flag floated from a hilltop a message was sent to the Chinese commandant demanding the evacuation of the Tsingtau forts within three hours, leaving fortifications, guns, and ammunition undisturbed. Being completely surrounded and helpless, the Chinese were unable to offer effective resistance and by noon the evacuation was completed, fifteen hundred Chinese troops being withdrawn to Tsangkow. Thus, by treachery and duplicity, Admiral von Diederichs had captured Tsingtau and Kiaochow Bay without firing a shot.[1]

[1] The town of Kiaochow was taken December 3, 1897, and the surrounding territory claimed in the name of the German emperor.

After placing themselves in possession of Tsingtau, the Germans were ready to discuss terms with the officials at Peking, the first meeting taking place on November 20, 1897. Baron von Heyking, the German minister, demanded the erection of a memorial tablet at the scene of the murder, payment of an indemnity of two hundred thousand ounces of silver, payment of expenses incurred by Germany in the occupation of Kiaochow Bay, dismissal of the governor of Shantung for having failed to prevent the outrage, punishment of the murderers, a grant of the sole right to develop railroads and mines in Shantung province, and a lease of Kiaochow Bay as a naval station. These demands, with the possible exception of the last, were known to the British government, which raised objections only to the fifth.[1] Had the sixth been understood by or known to Great Britain it is probable, in view of his opposition to the fifth demand, that Lord Salisbury, secretary of state for foreign affairs, would have registered a protest against it also. The Chinese Foreign Office sought without success to defer negotiations until Kiaochow Bay had been evacuated, but found itself without diplomatic support from the powers.[2] Baron von Heyking, on the ground that information concerning the negotiations was being circulated, insisted that further conferences take place in the German Legation and Li Hung-chang

[1] Great Britain, *Blue Books, China No. 1, 1898*, correspondence of Lord Salisbury to Sir C. MacDonald, November 3 and December 8, 1897.

[2] Russia and France, in particular, had been appealed to, China not knowing of Russia's understanding with Germany. France, financially and diplomatically allied with Russia, was not likely to intervene unless in conjunction with her ally.



Htis Fortress, the Chief Land Defense

and his colleagues were obliged to submit to this added humiliation.

In Germany, meanwhile, Emperor William II was organizing an expedition under the command of his brother, Prince Heinrich of Prussia, to carry reënforcements and supplies to the Far East. On December 15, the emperor delivered a memorable address at Kiel on the eve of the departure of the squadron. Pointing out the objects of the expedition, the emperor said:

> "May every European in those distant regions, may every German merchant, and above all, may the foreigner on whose soil we are or with whom we shall have to deal, be made aware that the German Michael has finally planted his shield with the device of the German eagle upon the soil in order once for all to give his protection to all who may ask it. And may our countrymen in those regions, be they merchants or be their business what it may, rest assured that the protection of the German Empire implied by the German ships of war will be steadily vouchsafed to them. But should any one essay to detract from our just rights to injure us, then up and at him with your mailed fist, and if it be God's will, weave for your youthful brow a wreath of laurel which no one in all the German Empire will begrudge you."[1]

Prince Heinrich in reply declared that but one aim animated him, namely, "to preach the gospel of Your Majesty's hallowed person to every one who will hear it and also to those who will not hear it."[1]

The Peking negotiations were making but slow progress. The Chinese plenipotentiaries assured the German minister, January 2, 1898, that on the following day they would be in a position to give him a definite answer, but when the time came they appeared with various excuses, alleging hopeless dissension

[1] Text from *London Spectator*, December 26, 1897.

among their number. Baron von Heyking thereupon declared that he could have no further dealings with them, and the Chinese delegates left the legation in great trepidation. The German minister went in person to the Tsungli Yamen, January 4, his interpreter reading a speech outlining the consequences of further protracting the negotiations and announcing that the time had come when the Chinese government must decide upon a course of action. The message made a deep impression on the members of the Chinese Foreign Office, and after its conclusion one of them, at a sign from Prince Kung, arose and, in the name of his government, acceded to all the demands. Undoubtedly this capitulation was accelerated by the knowledge of the approach of Prince Heinrich's squadron and by reports of the nature of the instructions of Emperor Wilhelm II. Having been unable to persuade any of the powers to raise a restraining hand, the Chinese government was helpless in the presence of a superior force.

The preamble of the convention signed in Peking, March 6, 1898, states that "the incidents connected with the mission in the prefecture of Tsaochowfu, in Shantung, now being closed, the imperial Chinese government considered it advisable *to give a special proof of their grateful appreciation of the friendship shown to them by Germany* [my italics]. The imperial German and the imperial Chinese governments, therefore, inspired by the equal and mutual wish to strengthen the bonds of friendship which unite the two countries, and to develop the economic and commercial relations between the subjects of the two states, have

concluded the following separate convention."[1] This language leaves with the casual reader the impression that China was making particular efforts to reward Germany for depriving her of the port of Kiaochow, whereas it does not seem probable that any state would feel any "grateful appreciation" towards another state which forcefully acquired portions of her territory as indemnity for the murder by bandits of two missionaries. Nevertheless, the terms of the convention were more favorable to China than those which had been imposed in the past by other powers.

Under the provisions of this convention, China gave to the German government special rights in the territory within one hundred li[2] of Kiaochow Bay for ninety-nine years. The Chinese city of Kiaochow, situated inland from the head of the bay within this zone, remained under Chinese jurisdiction. The fishing village of Tsingtau,[3] at the mouth of the bay, became the German port and administrative center. German capitalists and manufacturers were given preference in enterprises planned to develop Shantung province. The German government was permitted to construct fortifications and build docks at Tsingtau and to have full territorial jurisdiction during the term of the lease. It was provided, however, that such jurisdiction did not include the right to sublet the territory to any other power. If Germany at any time wished to return it to China before the expiration of the lease, the Chinese government

[1] MacMurray, J. V. A., *op. cit.*, Vol. I, p. 112.
[2] Approximately 50 kilometers, or 30 miles.
[3] Meaning Green Island, the name of a small island lying offshore in the bay entrance.

agreed to refund the expenditures incurred and to provide a more suitable port for German occupation. This provision figured prominently in the developments of 1914. Only the first section of this arrangement, establishing Germany politically in Kiaochow, was revealed at that time. The portions providing for the economic exploitation of the province were not published officially, presumably because of the expected opposition of Great Britain.

A railway convention was concluded on the same day, conferring the right to construct railway lines in Shantung. The first line was planned to connect Tsingtau and Kiaochow with Tsinanfu, the provincial capital. A second line was to be built southwest from Kiaochow toward Ichowfu, and a third section was contemplated, connecting the ends of these two spurs.

Financial interests in Germany at once entered into competition to secure contracts for these railways, several syndicates being formed for the purpose. The Shantung Eisenbahn Gesellschaft, or Shantung Railway Company, was formed in 1899 with a capital of fifty-four million marks.[1] On June 1, 1899, this corporation was approved by the German government, and on September 23 of the same year Prince Heinrich of Prussia broke ground in Tsingtau for the Shantung Railway. The railway company undertook to construct a line from Tsingtau to Kiaochow and Weihsien within three years, to be extended to Tsinanfu in two additional years with a branch leading from Changtien to the Poshan coal fields. An option was

[1] Approximately $13,500,000 United States currency.

secured, covering the building of a connecting line from the vicinity of Kiaochow to Ichowfu and another line between Ichowfu and Tsinanfu, provided these projects were completed by the close of 1908.

The charter created a private Sino-German corporation, with an equal number of shares in the hands of Chinese and German investors. In fact, however, the Chinese capitalists were reticent about entering the company and the Germans enjoyed almost complete control. The activities of the Shantung Railway Company were subjected to rigid supervision by the German government, including approval of officials and adjustment of disputes. On the other hand, Germany agreed not to grant any competitive concessions which might injure the interests of the company.

On March 21, 1900, a Sino-German construction agreement was concluded in which the interests of Chinese property holders along the proposed railway were carefully safeguarded. The provincial authorities were charged with the duty of protecting the workers engaged in the enterprise, as some difficulty was experienced in securing right of way from landowners. Many ancestral graves of necessity were disturbed and local prejudice and the problem of compensation had to be overcome. It was further agreed that no foreign troops should be transported outside Kiaochow territory. Title to the property at the expiration of the lease was to revert to the Shantung government.

The absence of harbor and docking facilities at Tsingtau augmented the difficulty of landing supplies and equipment brought from Germany. The Boxer

outbreak in 1900 caused considerable damage to the railway and delayed work to some extent. Nevertheless, the company was able to fulfill its agreement by completing the forty-five-mile line between Tsingtau and Kiaochow and opening it for service on April 1, 1901. By June 1, 1902, trains were operating between Tsingtau and Weihsien as promised, and the entire Tsingtau-Tsinanfu line was in service in 1904.[1] The railway was and still is single-track throughout. The great engineering difficulties lay in bridging streams which vary from dry beds to raging torrents at the different seasons of the year. The total cost of the Shantung Railway, upon its completion in 1904, was 52,901,226 marks.[2]

The Shantung Railway Company transferred to the Anglo-German Syndicate its right to construct a north and south line between Tsinanfu and Ichowfu, forming a link in the Tientsin-Pukow Railway. By arrangement, the English built the portion of this railway south of Tsinanfu and the Germans built the northern section between Tsinanfu and Tientsin. Any traveler will note the difference in architecture between the stations and other buildings in each section. The German end of this line was taken over by the British during the World War, leaving the German government to reimburse the individual stockholders for the loss of their property, so that the entire railway from Tientsin to Pukow is now under the eye of British financial interests. In accordance

[1] The distance is about 245 miles. The Poshan branch is about 35 miles in length.

[2] Approximately $13,225,000 United States currency.

with recent arrangements, the Chinese Ministry of Communications is exercising supervision over this and several other foreign-built railroads throughout the eighteen provinces in so far as intermittent civil disorder permits any effective coördination of services. Strangely enough, no connection with the Shantung Railway was made at Tsinanfu, so that all shipments of goods had to be unloaded and reloaded. Not until 1925 were arrangements completed to permit the operation of through trains or cars from Peking, Tientsin, or Pukow to Tsingtau. Fortunately, the 4′8″ gauge was adopted by both railways, so that the only alterations necessary were the building of a connecting track and the lowering of the Shantung Railway platforms to accommodate other passenger cars.

Preliminary surveys have been made of the projected railway from Kiaochow to Ichowfu, but no construction has been started. For some reason the German company failed to take up its option, and the unsettled conditions since 1914 have made any railway extensions impossible.

Another branch was planned, extending from Weihsien in a northeasterly direction to Lungkow and Chefoo. The roadway has been laid out and embankments have been built, but to date no rails have been placed. A motor-bus route operates over the right of way, so that the work of building the roadway has not been without value.

Article IV, of the railway convention of March 6, 1898, permits the Germans to mine coal within thirty li[1]

[1] A Chinese li approximates one third of a mile.

of the railway lines, the necessary work to be undertaken by joint capital subscribed by Chinese and German merchants. German capital was given preference in the event of China's needing foreign financial assistance for the development of Shantung, and machinery and materials should be secured from German manufacturers if possible. In accordance with these provisions, the stock of the Shantung Railway Company was offered to Chinese investors, but no buyers applied. This company had secured the exclusive right for a period of five years of searching within the ten-mile zone along both sides of the railways for minerals and petroleum.

In return for these valuable concessions, the company agreed to pay the German government a share of whatever surplus profits were realized after paying five per cent dividends to the stockholders. From the foregoing paragraphs it is evident that Shantung province was considered very definitely as Germany's sphere of influence in China. In fact, when Great Britain occupied Weihaiwei the British government announced that it had "no intention of injuring or contesting the interests of Germany in the province of Shantung, or creating difficulties for her in that province."[1]

A special company, the Shantung Bergbau Gesellschaft, or Shantung Mining Company, was organized to exploit the mineral resources of the province, as provided in the Kiaochow Convention. Two representatives of this company, Governor Yuan Shih-kai,

[1] April 28, 1900.

of Shantung, and Ying Shang, comptroller general of Shantung Mines and Railways, drew up a special agreement at Tsinanfu, March 21, 1900,[1] in which was incorporated mining regulations. Germans and Chinese only were to be allowed to operate mines along the railways in Shantung. In cases where Chinese already were working mines in that zone, they were to be permitted to continue, but the German government later interpreted this to be effective only while the Chinese miners used primitive methods. Should they desire to introduce modern methods, they were allowed to do so only with German assistance.

The government of the United States promulgated the "open door" doctrine in an attempt to prevent the exploitation of China by foreigners working under the protection of exclusive rights and concessions. It was desired to allow equal opportunities for trade and industrial enterprise to all nationals of all countries. The German government declared its adherence to this principle in a pronouncement, February 19, 1900:

> "The imperial government has from the beginning not only asserted, but also practically carried out to the fullest extent in its Chinese possessions, absolute equality of treatment of all nations with regard to trade, navigation, and commerce. The imperial government entertains no thought of departing in the future from this principal, which at once precludes any prejudicial or disadvantageous commercial treatment."

Late in 1904[2] the German minister in Peking, Baron Mumm, urged the Chinese government to authorize four additional regulations supplementary to those agreed

[1] April 28, 1900.
[2] December 15, 1904.

upon at Tsinanfu, March 21, 1904. The four amendments were: (1) only the Shantung Mining Company may use mining machinery in the railway zones; (2) Chinese subjects may not use machinery therein; (3) should the company decide to open new mines in the thirty-li zones, the provincial governor should require Chinese mines within fifteen li of the new mines to be closed within two years, and no new Chinese mines might be opened within ten li of the new German mines so long as the latter are worked; and (4) Chinese officials might not have power to object to methods employed by the Shantung Mining Company in the use of machinery within the concession zones. The Chinese government refused to assent to these demands, but other more comprehensive proposals soon were advanced by the Germans. In addition to the railway zones, exclusive mining rights were sought by a German syndicate in five regions of Shantung province comprising practically all mineral deposits. These five regions were: (1) territory within a triangle formed by lines drawn east from Ichowfu to the Yellow Sea and south from Ichowfu to the border of Kiangsu province; (2) territory within a radius of one hundred twenty li of Ishuihsien; (3) territory within a radius of fifty li north of the Wen River, one hundred li southwest of Weihsien; (4) territory within a radius of two hundred fifty li of Chefoo; and (5) territory in the vicinity of the leased area of Kiaochow. Attention being drawn to the fact that the British port of Weihaiwei lay within two hundred fifty li of Chefoo, the German demand was amended to exclude the region in which a British company had secured rights for

gold mining. The German minister took the position that Germany's right to exclusive mining privileges within the above-mentioned five territories was indisputable, the only points to be settled by negotiation being the length of time to be established and the financial aspects of the question.

In 1908, the Shantung Mining Bureau granted to the Shantung Mining Company exelusive mining rights for two years in eertain areas of thirty square li each. Chinese and German capital was invited on equal terms. Until the Chinese shares totaled one hundred thousand marks, a German director general was to function. When Chinese capital exceeded that amount, a Chinese director general was to be appointed by the Shantung Mining Bureau with powers equal to those of his colleague. Exemption from likin was granted and actual mining was to begin within six months of the date of issue of the mining permits.

German capital was admitted to the Chung Hsing Coal Company of Yihsien, probably the most important coal field in the province, in 1898, the Chinese corporation having been operating since 1880. Modern machinery and methods were introduced. The German stoekholders were bought out in 1908, however, since which time the company has been managed efficiently and economically.

The Shantung Mining Company had been successful in securing control of most of the mining regions of Shantung province, and the situation was further simplified, July 24, 1911, by an agreement with the Chinese authorities defining mining areas specifically

instead of continuing the zones along the railway lines. Germany voluntarily relinquished some of her exclusive rights at this time. On January 1, 1913, the mining company and the Shantung Railway Company were merged into one corporation with increased capital. It was anticipated that certain railway extensions would be undertaken, agreements to this effect being concluded in December, 1913, and in June, 1914, but the outbreak of the World War prevented their consummation.

The change of administration at Tsingtau necessitated a reorganization of the Chinese customhouse at Kiaochow Bay. This was true, not only because of the political advent of the Germans, but because of the increasing economic importance of the port. A customs agreement, April 7, 1899,[1] recognized the extent of German interests in the port by providing for the employment of German officials and placing Kiaochow Bay office under German supervision. This agreement was revised, December 1, 1905, by establishing a free area at Tsingtau wherein goods might be transshipped or stored without payment of duty. Also, twenty per cent of the net duties collected at the port was set aside to meet the expenses of administering the territory.

The German government soon came to realize that cable lines connecting the Orient with Europe were British in ownership and that the American Pacific cables were not available at Tsingtau. In order that

[1] MacMurray, J. V. A., *op. cit.*, Vol. I, p. 189

German interests might be independent of the British cable lines to as great an extent as possible, a company was organized and subsidized in conjunction with the government of the Netherlands to lay and operate a system of cables. In 1904, a cable was laid from Yap, an island in the German Caroline Islands, to Shanghai. Another cable was laid connecting Yap with Guam, where contact was made with Pacific cables to the United States. Tsingtau next was connected by cable with Shanghai and with Chefoo and Tientsin, in the attempt to encourage and assist German commerce by every facility which the government could provide.

The construction of the Shantung Railway had entailed the employment of German troops as guards, the Shantung troops not being very proficient in that respect, despite the terms of the agreement entered into at Tsinanfu, March 21, 1900. With the completion of the line in 1904 the presence of German soldiers along the railway no longer was considered necessary. Railway guards were employed by the railway company to facilitate the handling of trains and to safeguard railway property. Accordingly, the German governor of Kiaochow territory and the Chinese governor of Shantung province arranged, November 25, 1905, for the complete withdrawal of all German troops from points outside the leased territory. The barracks which had been erected and occupied by the Germans were turned over to the Chinese authorities upon receipt of proper compensation.

We now can turn our attention to German activities within the leased territory. In April, 1898, the German

Reichstag appropriated five million marks[1] for the purpose of developing Kiaochow Bay as a strategic and commercial post. This sum was found to be insufficient, however, and before the end of the year an additional three million five hundred thousand marks was voted. An immediate need was adequate harbor and docking facilities, particularly in view of the large shipments of railway and mining equipment from Germany. Examination of the map of Tsingtau and of the larger-scale map of Shantung province will facilitate an understanding of the geography of the region. It will be seen that Tsingtau is situated on the western (bay) side of a peninsula separating Kiaochow Bay from the Yellow Sea. A range of hills projects itself between the city and the eastern side of the peninsula, which is washed by the waters of the sea. The logical harbor, therefore, is well within the mouth of the bay, along its eastern shore, protected by the hills to the east. The German engineers laid plans for three harbors along the eastern shore of Kiaochow Bay, one to be used for ocean shipping, one for Chinese junks which plied across the bay and along the coasts of Shantung, and the third for repairing vessels. Of these, the first-named was the largest and the last-named the smallest. A floating drydock was brought out from Germany and installed, to be used in making repairs.[2]

The main harbor was inclosed, except for a narrow entrance, by a jetty, semicircular in form. The outer

[1] Approximately $1,250,000 United States currency.

[2] Unfortunately, this drydock was removed by the Japanese and taken to Japan, where in all probability it will remain.

end of this jetty was fitted for use as a coaling dock, railway tracks being laid to deliver cars to the end of it. This jetty forms roughly two sides of the harbor, serving as a breakwater about fifteen thousand feet in length, to protect the shipping from northwest winds prevalent in the bay. The southern side of the main harbor is formed by one of three wharves or docks. This dock is about twenty-four hundred feet long and three hundred fifty feet wide, the harbor entrance being about six hundred feet in width between the end of this dock and the outer end of the breakwater. Four warehouses[1] were erected thereon, and three railway tracks facilitated the transfer of goods from train to steamer. This wharf was used for merchantmen during the German régime. A second wharf was built five hundred fifty feet from this larger dock, within the main harbor. This is but sixteen hundred fifty feet in length and three hundred thirty feet in width, equipped with three warehouses and four railway tracks. The German navy utilized this dock. A third dock, similar in plan, was contemplated beyond this second wharf when the volume of trade should justify the heavy expenditure, but to date[2] only a narrow planked pier five hundred fifty feet long has been erected. These docks were capable of accommodating from ten to twenty steamers of varying sizes. The harbor and its approaches were dredged to permit the entrance of vessels drawing twenty-five feet of water. The harbor improvements were

[1] Generally known as godowns.
[2] 1926.

completed in 1906 at a total cost reported to have been fifty million marks.[1]

The German engineers also turned their attention to the erection of a modern city built along European lines. Ordinarily, municipal engineers are limited in their activities by the existence of structures which cannot be removed. City plans must be made to fit existing conditions. On the shore of Kiaochow Bay the Germans were not obliged to subordinate their plans for a model city to any nucleus of buildings, for the simple reason that they razed the Chinese village completely, leaving nothing to hinder their work. The Chinese residents were settled in a section known as Taitungchen, separated from the bay and sea front by hills. Carefully drawn plans were prepared and many preliminaries, such as sewerage and water pipes, were undertaken before any building was commenced. About one hundred fifty wells were sunk in all parts of the adjacent territory in the effort to secure good drinking water. Ultimately trees were planted in the vicinity of the Litsun River, and a new source of supply was opened by 1908.

Streets were laid out in an irregular manner in order to present a more attractive appearance as well as to alleviate the dust nuisance. Any one who has been in Peking on a windy day will appreciate the degree of satisfaction experienced in Tsingtau on equally windy days and being able to reach one's destination with clean ears after a ride or a walk through the streets. The principal thoroughfares were made forty feet wide,

[1] Approximately $12,500,000 United States currency.

Merchantmen at the Wharves in the Main Harbor

with ten- or twenty-foot sidewalks for pedestrians. Along each side of the roadway, near the curbing, were laid tracks of wide granite blocks for the use of wheelbarrows and carts. This had a double purpose. The heavy loads usually carried by such vehicles were kept off the driving surface of the streets, and the slow-moving, coolie-propelled carts and barrows were kept away from the center of the roadway, leaving that clear for carriages, motor cars, and rickshas. Many of the streets were lined with trees planted by the city fathers. In addition to the streets within the city limits, good country roads were constructed in various directions.

As has been stated, the choice locations along the water front of the outer harbor, facing Tsingtau Island and the open sea, were reserved for residences and administrative buildings. The government offices and the places of business of the big commercial companies were located on a slope commanding a view of the entrance to the bay. Houses were built upon European models, different in individual design, but similar in some respects. Almost all of them were surrounded by gardens and lawns. Most of them were built of brick or stone, with red- or green-tiled roofs. The living rooms, the bedrooms, and the verandas were placed on the south side almost universally, so as to have the greatest benefit of the winter sun; while the kitchens and the outhouses were on the north side. Many residences were erected by contractors subsidized by the German government[1] and under its supervision.

[1] It is reported that 200,000 marks was thus loaned, without interest.

The German authorities exercised effective control by fixing the rents which might be charged and by requiring that necessary repairs be made from time to time. As a result, the city bore an aspect of uniformity and neatness that cannot be attained in communities which grew more naturally.

Among the outstanding structures situated in this section of Tsingtau must be mentioned the headquarters of the German garrison. This building is easily the most conspicuous one in the city. It is located in a commanding position overlooking the sea and is large enough to contain more than one hundred fifty rooms. The headquarters was completed in 1906 at a cost of about eight hundred fifty thousand marks.[1] The residence of the commander of the garrison also was built on a hillside, removed from the city. It was indeed a handsome one and is said to have cost the German government one million marks. Several hospitals were opened, some under private auspices. The Tsingtau Hospital was ideally situated with a magnificent view of the outer harbor and the residential section. It was completed in 1905 just in time to care for about two hundred Russian soldiers wounded at Port Arthur. A separate ward was equipped to care for the German troops.

Not far to the east, along the shore of the outer harbor, was a good bathing beach. A hotel and summer cottages were built in the vicinity. The country club also was located near by.

North of the residential and official section, beyond a low hill, was the commercial and industrial section

[1] Approximately $212,500 United States currency.

Administration Building

of Tsingtau. All these districts were connected by wide highways. The intervening hills were planted with trees brought from Germany, affording a sharp contrast to the desolate-looking shore line across the entrance to the bay. Large sums of money were spent in forestation[1] between 1900 and 1914, but not all the trees were intended primarily as decoration. Two of the highest hills were covered with foliage to conceal the fortifications located thereon.

The German military strategists constructed two permanent forts and several temporary works among the hills, supplemented by two batteries situated at the water's edge to guard the bay entrance more closely. The main defense was centered at Iltis Fortress with an armament of six twelve-caliber, two ten-caliber, and five nine-caliber guns, mounted in concrete embankments. Bismarck Fortress was divided into two sections, one containing two twenty-one-caliber guns and two machine guns trained northward to serve as land defenses in the event of an attack from the rear, and the other equipped with four twenty-eight-caliber guns overlooking the seacoast. Both of these forts contained concrete kitchens, magazines, dispensaries, and other compartments to provide for the wants of the defenders when in action. Of the two water-level batteries, one at Taisichen on the tongue of land forming one side of the bay entrance, and the other at Huihsingchao guarding the outer harbor, the latter was the more powerful and important. It

[1] Estimated at 2,300,000 marks, approximately $575,000 United States currency.

consisted of two twenty-four-cabliber and three fifteen-caliber guns in turtle-back turrets of concrete and steel. Each gun was mounted on revolving platforms, with mechanism for raising or lowering the guns as desired. A powerful searchlight on a disappearing platform was so placed as to sweep the bay entrance at night. It is reported that the German government expended fifteen million marks[1] on fortifications, in addition to nine hundred fifty thousand marks on barracks in the vicinity of Iltis Fortress and another seven hundred fifty thousand marks[2] on the Bismarck Barracks. Of course, much of this money was spent on building roadways[3] and concrete shelters and in camouflaging the hillsides with trees and shrubbery. The armament probably was not of the most recent design when it was installed, as the Germans could not have expected to have maintained themselves at Tsingtau against a modern force for a very long time. The purpose seems to have been to provide a temporary opposition to an attacking fleet or land force until reënforcements and relief could be brought by a German squadron. At any rate, future events seem to justify this view, and naval observers are agreed that the equipment was insufficient for a lengthy or determined siege.

On two other hilltops were placed a signal station and a wireless station. The signal station was devised to communicate with ships either in the bay or just

[1] Approximately $3,750,000 United States currency.

[2] Approximately $237,500 and $187,500, respectively, United States currency.

[3] The roadways connecting the barracks with the fortifications were, for the most part, cleverly constructed between high banks to protect the movements of troops under fire.

outside about to enter, this being made possible by its commanding position with a view in both directions. Quarantine and other port signals were flown there. The wireless station was sufficiently powerful to communicate directly with the station on the island of Yap in the German Caroline Islands, and accordingly was of military and naval value as well as of commercial usefulness.

Salt fields were opened along the shores of Kiaochow Bay without restriction, but in 1911 the German authorities issued regulations concerning the industry and imposed taxes upon the salt produced. It is noteworthy that the Germans did not take an interest in the fishing industry for which Kiaochow long had been renowned throughout China. The fishing rights of the Chinese were left undisturbed.

Having reviewed the accomplishments of Germany in the leased territory of Kiaochow Bay and in the province of Shantung, it remains for us to formulate some conclusions as to German policy in China. As has been pointed out, the manner in which the German government secured title to the Kiaochow Bay leased territory was not above reproach. It was one phase of Weltpolitik, representing the determination of the German emperor to rival the British Empire. As the sun never sets upon the British flag, Germany desired a place in the sun also. Unfortunately for German aspirations, the German Empire was late in forming and found all the sunniest places occupied. The era of spheres of influence and of concessions in China, however, developed at a time convenient for Germany, and we

find her taking full advantage of the opportunity.[1]

The Chinese government and the people of Shantung province quite naturally resented the "mailed fist" tactics of the Germans at Kiaochow in 1897. This feeling of antagonism was aggravated by the building of the railway and the opening of German-controlled mines in the province, during the course of which little regard was shown for graves and shrines and other objects of importance to the Chinese residents. The demolishing of the village of Tsingtau so that a modern German city might be erected on the site was accompanied by wailings of protest by the villagers. Of course, they were given better dwellings in a better village, Taitungchen, built by the German authorities, but it has been the experience of those who would "civilize" the "backward" peoples of the earth that they are not fully appreciated. No one likes to have "civilization" imposed upon him. People usually are happier amongst conditions to which they are accustomed. The situation is perhaps analogous to imposing an arbitrary, efficient government upon people accustomed to democratic institutions. Granting that the arbitrary government is a better government, less wasteful, less corrupt, less cumbersome, the people

[1] Another latecomer in the international game of "sun spots" was Italy, who, like Germany, was handicapped by internal development. In February, 1899, the Italian government let it be known that it contemplated sending a squadron to Chinese waters and increasing the number of Italian consuls in China. This announcement was followed within a week or ten days by a demand upon China for the cession of Sanmen Bay, Chekiang province, to be used as a naval station. France, Germany, and Great Britain raised no objections, but Japan claimed priority of interest in that section of China, close by Formosa. Italy found herself unable to make headway without the use of force (which she had agreed not to use) and the claim was abandoned in May, 1899, with the statement that she had "no intention to pursue a policy of occupation in China."—"*North-China Herald*," *June 5, 1899*.

affected by the change probably would not consider the change desirable. If the United States could be more efficiently and expeditiously governed by a foreign autocracy imposed from without, would the citizens of that republic welcome the change? Does the attainment of greater efficiency, the introduction of new ideas of industry, and of new agencies of transportation and trade, justify their imposition?

The building of railroad embankments without providing adequate drainage resulted in the flooding of large areas during the wet seasons. Entire villages in Shantung would rise against the German engineers and workmen, necessitating the intervention of German troops with machine guns to clear the way. Constant conflict between the Germans and the populace caused the growth of a feeling of hostility, not only to the invaders but to all foreigners, whatever their nationality. As the work progressed inland from the seacoast, more and more people were affected. Secret associations of malcontents, drawn chiefly from the coolie class, were organized under various titles to register opposition to the foreigner. Prominent among these was the "Boxer Society," supposedly so named because its emblem represented a clenched fist. Agitators performed mystic rituals which were represented to make participants impervious to bullets. In order to dispel reasonable doubts in the minds of the countryfolk a group of initiates would be lined up before a firing squad. Upon a given command the squad would fire blank cartridges in the direction of the "members." Of course, no one was injured and many new recruits were secured. The movement

spread over northern China very quickly and even the empress dowager in Peking was persuaded that it was the means by which the foreigners could be driven into the sea. She was induced to countenance the Boxers secretly, and many outrages were perpetrated against foreigners and native Christians who were charged with being contaminated. The Diplomatic Corps in Peking found itself unable to obtain any definite condemnation of the Boxers, and no effective measures were taken by the government to repress them. Four months, from January to April, 1900,[1] were spent in useless interviews with the Tsungli Yamen, and by June Peking was in turmoil. On June 1, 1900, a small international force of seventeen officers and three hundred ninety-one sailors and marines reached Peking from Tientsin to protect the legations.[2]

Daily it became more unsafe for foreign residents and Chinese converts to Christianity, and arrangements were made to house refugees in the British Legation, selected because of its location removed from city wall on which many Boxers took positions to harass the legation quarter. Realizing the gravity of the situation, the legation guards made hasty preparations for defense, and urgent calls for relief were sent to the home governments.

The counselor of the Japanese Legation, Mr. Sugiyama, was killed on June 11 by Chinese soldiers who had joined the Boxers. Nine days later, Baron von Kettler, the German minister, volunteered to go in person to the Tsungli Yamen to protest against the

[1] United States, *Foreign Relations*, 1900, p. 129.
[2] *Id.*, p. 132.

indignities and outrages to which all foreigners were being subjected.[1] En route he was waylaid and murdered, and in the afternoon of the same day Chinese troops opened fire upon the legations. Sir Claude MacDonald, the British minister, took general direction of the defense in the interests of greater uniformity in action. Refugees continued pouring into the British Legation and the situation was admittedly serious. Food and water supplies were hoarded in preparation for a long siege.

Admiral Sir E. Seymour had left Tientsin on June 10 with a mixed force of 2,066 men[2] to repair the railway to Peking and to keep communications open, but his expedition met with unexpected heavy resistance. After penetrating a short distance, he was obliged to retreat to his base of supplies at Tientsin, suffering severe losses in doing so. During his absence from Tientsin, Chinese troops had made a determined attack upon the foreign settlement there, threatening to block the Pei-ho on which communications were being maintained with the allied warships anchored off its mouth. In order to prevent a repetition of such an attack the allies reduced the Taku forts, which commanded the mouth of the river. This was accomplished on June 17.[3]

In this emergency, international jealousy grievously delayed the necessary concentration of forces. Japan was most favorably situated to take immediate and effective action; and the British government, supported

[1] Bland, J. O. P., and Backhouse, E., *China Under the Empress Dowager*, London, 1910, p. 305.
[2] Seymour, Sir E., *My Naval Career*, n. p., n. d., p. 342.
[3] Savage-Landor, A. H., *China and the Allies*, London, 1901, Vol. I, p. 112

by the United States government, proposed to the other powers that Japan be requested to act speedily and energetically. No definite or specific objections were raised, but the replies of Russia and Germany barely disguised their displeasure, arguing against giving any power "a mandate for separate action on any special condition or any claim to a preponderating voice in guidance based upon the relative amount of force supplied or the services rendered to the common cause."[1] It appears that Russia saw an admirable opportunity for perfecting her schemes in Manchuria and that the kaiser saw means of gratifying his aspirations for increased power and prestige. Great Britain went so far as to offer Japan the assistance of the British treasury in case financial difficulties stood in the way,[2] but on the same day on which this proposal reached Tokyo the Japanese government decided to embark the two divisions which it already had mobilized. By the beginning of August an Indian brigade also had reached Tientsin, along with small reënforcements from other powers.

As all the powers ostensibly were engaged in the relief of the legations, a united command seemed desirable and Russia suggested that a commander in chief of the allied forces in China be selected. The suggestion was accompanied by a stipulation that the united command should apply only to troops engaged in Chihli province, however, as Russia reserved to herself the right of independent action in the parts

[1] Great Britain, *Blue Books, China No. 3, June 25–26, 1900,* Lord Salisbury to ambassadors.

[2] *Id., July 6, 1900,* Lord Salisbury to Mr. Whitehead.

bordering upon her own territory and the Trans-Siberian Railroad and its branches. Other powers were left similar freedom of action where their territory and special interests were immediately concerned."

This proposal played an important part in the Russo-German program, these two powers playing into each other's hands most effectively. The situation, too, was favorable. It was understood that Great Britain never would consent to placing her troops under a French or a Russian commander, and that neither France nor Russia would consent to British leadership. The United States presumably would not undertake the task as a matter of principle, and Japan, an Asiatic nation, hardly could lay claim to the chief command of troops the majority of whom were European. Hence, by the process of elimination, the choice seemed bound to fall upon Germany, as less objection could be raised to such an appointment. This was done, and late in July Emperor Nicholas and Emperor William had agreed upon the appointment of Field Marshal Count von Waldersee as commander in chief of the allied forces in China.[1] The appointment was announced to the world with special emphasis upon the fact that it bore the approval of Russia.

Germany then prepared an expedition to eclipse any foreign army ever seen in the Far East. The German East Asiatic Expedition comprised twenty thousand men from all branches of the service, the first transport sailing from Bremerhaven, July 27,

[1] *Atlantic Monthly*, January, 1915, pp. 124–136.

1900. On that occasion, the kaiser in characteristic style admonished the departing troops :[1]

> "Remember when you meet the foe that quarter will not be given and that prisoners will not be taken. Wield your weapons so that for a thousand years no Chinese will dare look askance at a German. Pave the way once for all for civilization."

Meanwhile, due chiefly to the energetic counsels of the British commander, Sir Alfred Gaselee, a relief force of twenty thousand was collected at Tientsin and set out for Peking, August 4, following a British naval flotilla which had forced its way up the Pei-ho the preceding afternoon. After a series of skirmishes with the Chinese soldiery and a very difficult march the Allies overcame all obstacles and arrived before Peking on August 13. This achievement was broadcasted throughout the world. While the German expedition was in European waters and before Count von Waldersee left Germany in person, the governments of Great Britain, Japan, and the United States were preparing to withdraw their troops. Throughout the campaign the Russian forces had been coöperating more or less reluctantly, as it was to the interest of the Russian government to prolong the disturbance until it was able to force China to concede desired territory and commercial privileges. This attitude was illustrated by the Russian attempt to enter Peking on the night of August 13, 1900, while the Allies were encamped about the walls preparing for a joint assault on the morning of the fourteenth. It has been hinted that Russia took this step in order to be able to claim the major share of the credit and a proportionate share

[1] *Atlantic Monthly*, January, 1915, pp. 124–136.

of whatever indemnity was imposed upon China. The following morning, the Japanese made an advance against the city, likewise without success. In the resulting confusion, the American forces became entangled with the Russian line; but the attention of the Chinese defenders seems to have been diverted, for some reason, from a water gate, and the British contingent was able to slip into the opening and relieve the legations about two o'clock in the afternoon.

When Count von Waldersee reached Taku at the mouth of the Pei-ho late in September he found the Japanese and United States troops embarking on transports. American troops all were withdrawn before his arrival and took no part in the subsequent "military operations." Save for the usual bands of marauders and ex-soldiers there were no Chinese under arms. With the capture of the capital the Boxer hordes had vanished like the morning mist and there seemed to be little for the German commander in chief to do except to make himself comfortable in winter quarters and digest his chagrin as best he could. On the seventeenth of October, escorted by officers and men of the various remaining foreign contingents, Field Marshal von Waldersee formally entered Peking and took up his quarters in the Winter Palace recently vacated by the flight of the court to the Western Hills. The German commander disregarded all traditions respecting certain bridges and sections of the grounds reserved for the emperor and the empress dowager, and it is said that many Chinese of the coolie class believed him to be the emperor of China because he

resided in the Imperial Palace and rode across the forbidden bridges.

Punitive expeditions became a feature of the German occupation. Every petty officer seemed privileged to devastate the countryside. Villages that had been used as Boxer headquarters or where arms were discovered were burned to ashes and the inhabitants killed or driven away. As a result, there was no attempt to restore Chinese civil authority and a condition of anarchy prevailed throughout the province of Chihli. By the spring of 1901, however, the departure of all foreign contingents except the German left the latter in a very conspicuous position, and preparations were made to evacuate the palace. Count von Waldersee left in June, 1901, followed by his army.

Viewed with regard for its ostensible object — the suppression of disorder and the restoration of peace — the German occupation was an unqualified failure. Disorder and anarchy were prolonged; the return of the Chinese court to Peking was delayed; foreigners, particularly the Germans, were as heartily disliked as ever. In the final adjustment an indemnity[1] was imposed upon China, the Russian and German claims being the largest, producing another cause for animosity among the Chinese. For various reasons, Great Britain, Japan, and the United States were inclined to treat China with indulgence, although the British government did support Germany's demand for the punishment of guilty Chinese officials. France and Italy further supported Germany, partly because,

[1] This indemnity increased China's indebtedness y $300,000,000 United States currency.

being Roman Catholic countries, they were desirous of punishing perpetrators of atrocities against Roman Catholic missionaries and native converts.

The negotiations were discontinued temporarily because of separate parleys between Russia and China in St. Petersburg looking towards a secret military alliance, but the Chinese government was persuaded not to sign the proposed convention.[1] Furthermore, the allied occupation of Peking had resulted in some friction between the troops of the different nationalities, and Great Britain and Russia had been engaged in a dispute over the construction of roadways and railroad sidings in Tientsin. Nevertheless, an agreement concerning the indemnity to be imposed was reached at last, a significant feature being the demands of Germany and Italy, which were strikingly out of proportion to the service rendered by their military and naval forces. In addition to providing an indemnity, the protocol of September 7, 1901,[2] installed permanent legation guards in Peking and permitted the fortification of the legation quarter. Open communication with the sea at Tientsin and Taku was assured by the demolition of intervening forts and the foreign occupation of strategic points, but whenever civil outbreaks occur in Chihli province it is still difficult to preserve uninterrupted communications between Peking and Tientsin. Antiforeign societies were to be disbanded, the Tsungli Yamen was to be reorganized as desired by the powers,[3] and suitable reparation was made for

[1] See p. 28.

[2] MacMurray, J. V. A., *op. cit.*, Vol. I, p. 278.

[3] The Tsungli Yamen was supplanted by the Waiwupu, or Board of Foreign Affairs. After the establishment of the Republic a Foreign Office was created under the name of Waichiaopu.

the murder of Baron von Kettler and Mr. Sugiyama.

In connection with these negotiations, the United States, through its Secretary of State John Hay, persuaded the powers to acknowledge the principle of the "open door" or equal commercial opportunity everywhere in China for all nations, despite spheres of influence. Closely associated therewith, the powers agreed to respect the political and administrative integrity of the Chinese Empire. This had been the policy of the United States throughout our contact with Asia, and John Hay merely seized an opportune time to secure from others a statement of adherence to the principles. All the powers gave lip service to the doctrine outlined above and several entered into additional agreements and conventions embodying the same assertions,[1] but the principles seem to be honored more in the breach than in observance. Great Britain and Germany entered into an Anglo-German agreement in 1900, pledging themselves to the principle of the "open door," and Japan, at her request, was permitted to subscribe to the declaration on the same basis as the original signatories.

From the foregoing account we might expect the Germans to have so established themselves in the opinion of the Chinese people as to remain perpetually unpopular. On the contrary, German policy underwent a radical change for the better after the Boxer antagonism died down and the Shantung Railway was

[1] Among these agreements and conventions may be mentioned the following: Anglo-Japanese Alliances of 1902, 1905, and 1911; Franco-Russian, March 15, 1902; Franco-Japanese, June 10, 1907; Russo-Japanese, July 30, 1907; American-Japanese (Root-Takahira Agreement, 1908; Lansing-Ishii Agreement, 1917); Nine-Power Pact, February 4, 1922 (Washington Conference).

completed. The cessation of construction on the railway removed one prolific source of misunderstanding. Embankments already built were pierced with culverts and other openings for drainage. No more graves were disturbed. German troops which had been engaged in protecting the workmen were withdrawn. Many points of contact accordingly were removed and others diminished. As the instances in which Chinese and Germans came into violent touch with one another decreased the anti-German feeling quite naturally subsided proportionately. The Chinese people are very fond of riding upon railway trains, and as they became accustomed to the presence and convenience of the Shantung Railway they became less unfriendly towards the nation which had made possible the change in means of transportion through the heart of the province. A long step towards mutual understanding and confidence was taken when the German railway administration employed on the lines all Chinese operatives except one chief engineer, four engine drivers, and nine station masters. The Chinese were thereby encouraged to look upon the enterprise as their own, though necessarily under German supervision. During the German régime the railway and harbor control was vested in the same hands, so that shipments into the harbor at Tsingtau could be more efficiently transshipped to points along the railway. Likewise, goods produced in the interior and routed over the Shantung Railway for export could easily and without duplication of records and handling be placed aboard a steamer tied alongside a dock in Tsingtau. Most of the harbor employees were Chinese,

as were the great majority of those on the railway. In this way the Chinese people became accustomed to handling such enterprises in preparation for future needs. Of course, whenever practicable, German goods were imported for the Shantung trade, and every opportunity was granted for trade with Germany, but we hardly can malign Germany for that.

As the years passed, the German government became increasingly liberal in its policy in Kiaochow and Shantung. Keen recognition of the great dividends in good will resulting from a policy of coöperation and helpfulness and fair dealing convinced the German administrators of the wisdom of their system. Several American and British corporations, such as the British-American Tobacco Company and the Standard Oil Company, opened offices and plants in the leased territory and the hinterland, and were permitted to develop their business without interference. Of course the Germans were at the time watchful over their own interests, but no heavy or burdensome restrictions or regulations were imposed upon the enterprises of other foreigners who or which did not trespass upon German preserves.

During the years 1907 and 1908 the German government was engaged in a hopeful diplomatic venture with the United States and China, the aim of which was to secure, by an exchange of notes, an entente to counteract the Anglo-French-Japanese-Russian alignment which threatened the partition of the Chinese Empire. No formal treaty of alliance was contemplated, due largely to the anticipated opposition of the United States Senate, but President Roosevelt was favorably inclined towards an executive agreement.

For the sake of appearances, it was felt that a proposal should first be made by the Chinese government, as China's integrity was the avowed aim of the entente. The Chinese government, overcautious, procrastinated until the autumn of 1908, when a mission was sent to Washington for the purpose of negotiation. Japanese diplomacy, however, scored another victory by concluding the Root-Takahira Agreement, November 30, 1908, on the eve of the arrival of the Chinese mission. The United States government, concerned primarily with the preservation of the "open door" and the territorial and administrative integrity of China, was satisfied with Japan's disavowal of imperialist intentions, and the proposed entente did not materialize. It is interesting to speculate upon the probable effect of the conclusion of such an alliance upon the international politics of the following decade.

By 1914 the German merchants and residents in China had completely overcome the handicap which they had borne as a result of the early policy in Shantung and of Count von Waldersee's sojourn in Peking. They were living and doing business side by side with the Chinese in many instances and managing to preserve most amicable and even cordial relations. The Japanese régime, which replaced that of Germany, is discussed elsewhere,[1] and need not be touched upon here.

With the outbreak of the World War and the subsequent participation therein by Japan on the side of the Allied and Associated Powers the German government fully realized the impossibility of using Tsingtau

[1] See Chap. VI.

as a naval base. Two courses of action were open: Germany might attempt to protect Tsingtau from attack by preserving absolute neutrality in Chinese waters. In order to do this, no German warships could use the port for any purpose. Then the German government could declare that as Tsingtau was not being utilized in any way it should not be the cause of opening a theater of war in the Far East. If this view were accepted by the Allies, Kiaochow Bay would be saved for Germany. Another possibility lay in a provision of the Treaty of 1898, under which Germany might at any time transfer the leased territory, receive proper indemnification for her expenditures there, and at some future time receive in exchange "a more suitable" leasehold. The German government apparently seems to have decided upon both courses of action simultaneously, hoping that the first would postpone an attack until the second had been carried out. Unfortunately for the German plans, however, the Japanese government delivered in Berlin an ultimatum dated August 15, 1914,[1] the avowed purpose of which was to

> "take measures to remove the causes of all disturbances of peace in the Far East and to safeguard the general interests as contemplated by the agreement of alliance between Japan and Great Britain."

Japan demanded that all German warships in Chinese or Japanese waters be disarmed or withdrawn, and that the entire leased territory of Kiaochow be handed over to her not later than September 15. A reply was demanded by noon, August, 23, 1914, but the German government did not respond.

[1] *London Times' Documentary History of the War*, London, 1918, Vol. II, part 2, p. 295.

In anticipation of hostilities Governor Waldeck had proclaimed martial law in Kiaochow territory and instituted a strict censorship on the first of August. Two days thereafter provisions and vehicles were requisitioned and arms and ammunition in the possession of individuals were listed subject to draft. Coolies were impressed into military service for labor at forty cents a day, none being allowed to leave the territory. Passage on the railway was restricted by government order. Postal service to enemies of Germany was cut off on August 4 and parcels were accepted only for China, Japan, and the United States. The following day all Russians were ordered to leave before nightfall, Germans were recalled from Harbin and from the Shantung railway zone and Kiaochow Bay, and approaches were mined. Navigation lights and lighthouses had been extinguished several days before and on the seventh all lights of the city which faced the outer harbor were ordered extinguished, in order to give the enemy no beacons on which to fire or slip into the bay. The American consul took over British interests on August 8 and extended his good offices to French interests on the ninth. The militia and the reserves were placed under arms, the remaining residents being asked to volunteer as firemen and as a citizens' guard. During the first two weeks of August a noncombatants' train from Tsingtau to Tsinan was operated on Wednesdays and Saturdays, German subjects being transported at the expense of the German government. On the seventh, however, this train began making daily trips, leaving Tsingtau at four o'clock in the morning. The consuls remaining in the city were

advised to urge their nationals to leave and to take steps to remove their archives to places of safety.

As the time set by the Japanese government for a reply to its ultimatum approached, the German governor at Tsingtau expressed his bitterness against the British for having induced, as he believed, the Japanese to attack Tsingtau, on the ground that the war was a European affair, between European nations. Germans in Tsingtau confidently predicted that the entrance of Japan would arouse the sympathies of the people of the United States in favor of Germany. On the twentieth of August, all Japanese subjects were notified to leave before noon of the twenty-second. A cablegram was received on August 22 from the German emperor, which was generally looked upon as a death warrant by the troops in Tsingtau:

> "God will protect you while you fight bravely. I trust in you."

Hospital facilities were increased by using two hotels, and the nursing staff was augmented by about forty woman volunteers. Almost every foreigner remaining in the leased territory was in service of some sort, and the Chinese had been impressed so far as practicable. Few servants were to be found performing their accustomed tasks. Rickshas had practically disappeared from the streets. Everything had taken on the air of war. The last train was withdrawn from service at noon on the twenty-third, the day upon which the ultimatum expired, bridges and tracks were dynamited, and the line made useless to the expected invader. Japanese warships had

been cruising in the vicinity for several days, and Vice Admiral Kato formally blockaded the port on August 26. The details of the reduction of Tsingtau are reserved for another chapter. It is sufficient at this point to note that Tsingtau and the Kiaochow Bay leased territory passed from German control, November 7, 1914. Belated efforts had been made by the German minister in Peking to take advantage of the clause in the lease of 1898, allowing his government to return Kiaochow to China and secure another site at some future time, but the Japanese government suspected just that step and blocked it by its hasty action against Germany, at the same time serving notice upon China that such a transfer would not be countenanced. Had Japan's motives been purely altruistic, and had she been sincerely desirous of preserving the peace of the Far East, this would have been a happy time to have realized those aims, but unfortunately for China the Japanese government had interests of its own to serve.

Close upon the issuance of Germany's announcement of intention to resume unrestricted submarine warfare, February 1, 1917, the United States severed diplomatic relations with Berlin and asked other neutral nations to do likewise in protest. Dr. Reinsch, the American minister in Peking, notified the Chinese government of the action of his country on the fourth and specifically requested China to follow our example.[1] The government of China complied with the request, February 8, by addressing a formal protest to Germany

[1] *Current History Magazine*, November, 1917, pp. 346–354.

declaring the intention to sever diplomatic relations should the protest be ignored. Shortly thereafter, the French steamer *Atlas* was torpedoed in the Mediterranean Sea with seven hundred Chinese coolies aboard. This incident goaded the Chinese Parliament into authorizing the president of the Republic to break off diplomatic intercourse, which was done before the German government got around to replying on the tenth of March to the Chinese protest of February 8. The German minister and his staff were handed their passports and the Dutch Legation took over the handling of German interests in China.

Allied diplomacy at once began to concern itself with enlisting China as a belligerent, the United States being quite active in this direction after our declaration of war, April 6, 1917. As China's participation in the war would entitle her to a seat at the peace table, those who resented Japan's actions in Shantung urged this as a reason for declaring war, with the belief that the Shantung question could be settled then. Japan, on the other hand, busied herself in securing secret commitments from France, Great Britain, Italy, and Russia, confirming her claim to Kiaochow Bay and promising to support her therein at the peace deliberations. Upon securing such commitments, Japan was willing that China should enter the arena, and the Chinese government formally declared war on Germany and Austria-Hungary, August 14, 1917.[1]

This action by China had an immediate effect upon Germans resident in China, because the Chinese government definitely renounced all agreements, treaties,

[1] Bau, M. J., *The Foreign Relations of China*, New York, 1921, p. 429.

and conventions which had previously been made either with Germany or with Austria-Hungary. This meant that subjects of those states were stripped of extraterritorial rights, and the German concessions in Hankow and Tientsin reverted to the control of China. Accordingly, German personal and real property in the Republic of China no longer enjoyed the protection afforded them by treaties. They at once became subject to Chinese law and to the administration of Chinese officials. A similar experience awaited Russian subjects as an outcome of the overthrow of the imperial government in 1917.[1]

The action of the Chinese government was recognized by republican Germany in a treaty concluded on May 20, 1921, wherein the German government specifically renounced consular jurisdiction and the right to concessions and entered into commercial relations with China.

Immediately upon the promulgation of this treaty, German commercial interests began to try to regain their trade of pre-war days. Their efforts in this field were aided to a considerable extent by the legacy of good will which had ensued from their policy a few years before. German salesmen and trade representatives toured the interior provinces and worked up good results in a comparatively short time. German steamship lines reopened their Far Eastern routes, notably the North German Lloyd and Hamburg-America lines. As the Allies had commandeered or sunk the German merchant marine, new boats had

[1] See p. 37.

to be built, less pretentious than their predecessors. As these boats usually were smaller and slower than their British, French, and Italian competitors in the European trade, the German shipowners sought to entice passengers and cargo by advertising much lower rates than the other companies. The plan was successful, many missionaries and tourists taking advantage of the lower fares. The service, however, paralleled that received on the more expensive steamers of other lines, and the German vessels found themselves booked to capacity on each trip. Other German shipping companies began to schedule voyages to and from China, Japan, and the Philippine Islands, and all were rewarded by full cargoes. The German trade with China seems about to resume its former proportions, if not to surpass them. Undoubtedly, as business improves, the rates will rise, but the superior service assuredly will retain the customers and passengers once won.

Before concluding a discussion of German policy in China it is worth our while to inquire somewhat into the effect upon Germans living in China of the revocation of their extraterritorial privileges. The standard comment upon extraterritoriality is that foreigners could not dwell or trade in safety in the Chinese Republic without the constant and effective protection of their own governments. In so far as the persons of the Germans are concerned, this statement must be modified. So far as is known, there have been no cases of unjust treatment. The Chinese judges have exercised the greatest of care and consideration in suits involving German citizens. Of

course, the procedure is different from that to which Western peoples have become accustomed, but it seems to produce just as high a quality of justice. A powerful factor in the relations of the Germans to the Chinese courts is the good will which the Chinese as a people bear towards the German nation. The Chinese are doubly impressed by the fact that the Germans have relinquished their special privileges and have shown their confidence in the ability of the Chinese to administer justice. Of course, in the first instance the Germans did not surrender these rights voluntarily, being deprived of them automatically by the declaration of war in 1917. This, however, is overlooked by the Chinese, who prefer to go back only so far as 1921 when the republican German government, by treaty, apparently cheerfully gave up all claim to concessions and to consular jurisdiction. Furthermore, the German residents do not fear the Chinese criminal courts, as they expect to conduct themselves in such a manner that they will not run afoul of those tribunals. It is too much to expect that all Germans, or foreigners, would be content with all phases of Chinese jurisdiction. Is there any country in the world in which all foreigners are content with the treatment handed down to them by the courts of the country of their sojourn? We in the United States certainly have not yet attained that happy level.

The German policy of helpfulness, coöperation, and fair dealing has won for its followers the respect and admiration of the people of China and might well be observed and imitated by others.

CHAPTER V

JAPAN'S AWAKENING AND EXPANSION

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THE development of the Japanese Empire during the past seventy-five years has no precedent, involving as it does transformation from feudalism to modern capitalism and ascendancy to the status of a world power. All this was accomplished without internal revolution threatening the position of the imperial family, which has occupied the throne for centuries. Japanese thought and patriotism has centered about the reigning house and its ancestors, giving an atmosphere of personal service to the performance of civil and military duties. There exists infinite devotion to the ideal of national success attained by peaceful means. However, if recourse to war is deemed necessary in order to attain ends which are considered indispensable to national progress and welfare, the Japanese people enter into it with great enthusiasm, with the result that in modern times the Japanese arms have suffered no reverses. Other factors have contributed to this record, as will be apparent in the following survey.

The first foreign state with which Japan came into hostile contact was China. The Chinese Empire had claimed suzerainty over Korea because of traditional emigrations of Chinese to that region as far back as 1122 B. C.,[1] but the proximity of the Korean peninsula

[1] Griffis, W. E., *Corea, the Hermit Nation*, New York, 1882, p. 14.

to Japan caused the Japanese to assert an interest in its administration. Between 1592 and 1598 Japanese troops first used firearms against the Chinese, resulting in the acquisition of certain port and fishing privileges for the Island Empire. Korea was stripped of art treasures, taken to Japan along with the artists, and never fully recovered from the effects of this invasion, which forms the basis of Korean hatred of everything Japanese.

The king of the Liuchiu Islands, lying between Japan and Formosa, had been tributary to both China and Japan since 1372 and 1451, respectively, and had been invested with his office and title by the emperor of China since the beginning of the fifteenth century. The Japanese Prince of Satsuma had invaded the islands in 1609, since which date the kings of Liuchiu had also been subject to approval by the emperor of Japan.[1]

Because of unpleasant experiences with Jesuit and other Roman Catholic orders inspired with the zeal of missionary work, the islands of Japan were closed to foreign intercourse in 1641. The only exceptions to this rule were the Chinese and the Dutch. Occasional Dutch trading ships were permitted to visit the Dutch factory at Nagasaki, where the merchants and the agent were obliged to submit to rigorous restrictions of residence and conduct and to send periodical tribute to Yeddo, now Tokyo. As in China, the Dutch seemed willing to accept humiliating conditions in order to engage in trade. American, British, and Russian

[1] Williams, S. W., *The Liuchiu Islands* in *Journal of the North China Branch of the Royal Asiatic Society*, 1866.

merchantmen tried at various times during the eighteenth and early nineteenth centuries to break through the restrictions, but without success. Between 1830 and 1850 the United States government made three efforts to open negotiations leading to commercial intercourse. The first, the Roberts Mission, did not reach Japan because of the death of Mr. Roberts at Macao in 1836.[1] Mr. Cushing was instructed to stop in Japan after his successful negotiation of the Treaty of Wanghia with China in 1844, but he had left for the United States before the dispatch arrived.[2] Then, in 1846, Mr. Everett was commissioned to visit Japan, but he became ill en route at Rio de Janeiro, Brazil, and returned to his home. Commodore Biddle, however, continued around Cape Horn and called at Yeddo Bay the same year, but the Japanese refused to open trade relations.[3] The final effort in 1853, under the leadership of Commodore Perry, who paid two visits to the Bay of Yeddo, resulted in the Perry Treaty of 1854, providing for better treatment of shipwrecked American seamen and for the opening of three ports to trade.[4] Other powers followed Commodore Perry's example, and Japan entered upon a new era.

The internal development and transformation of Japan is interesting in the extreme, but it is possible to refer to it only in passing. The shogunate was overthrown and the mikado,[5] or emperor, resumed

[1] Dennett, T., *Americans in Eastern Asia*, New York, 1922, p. 134.
[2] *Id.*, p. 249.
[3] *Id.*, p. 250.
[4] For a full account of the negotiations, see Griffis, W. E., *Matthew Calbraith Perry*, Boston, 1887.
[5] Tenno is the preferred title.

active control of the government in 1868. The capital was removed from Kyoto to Tokyo[1] and diplomatic relations with other states of the world were instituted. Feudalism was supplanted by a modern economic system. The government was remodeled along lines of Western efficiency, and Japan, relegating the past to its proper place, directed all its energies towards attaining equality among the nations.

At the time of Perry's expedition the Japanese Empire comprised various islands and groups of islands. No claim was laid to any portion of the mainland. The largest islands were Hokkaido, or Yezo, Honshu, or Hondo, Shikoku, and Kyushu. The Japanese government also asserted sovereignty over the Kurile Islands, lying between Hokkaido and the Kamchatka Peninsula; Sakhalin[2] off the coast of Siberia, directly north of Hokkaido; Tsushima, between Honshu and Korea; the Bonin Islands, in the Pacific Ocean southeast of Japan; and the Liuchiu Islands. Many of these islands had but few Japanese settlers and were considered useful only as buffers, but they were watched carefully to prevent absorption by some other nation. Russia had occupied Tsushima in 1861, ostensibly to prevent its seizure by France or Great Britain, but a British fleet had forced the evacuation of the island.[3] Japan and Russia had been engaged in controversy over Sakhalin since 1804, the matter being adjusted in 1875 by a treaty conceding the

1 Formerly merely the seat of the shogunate, the emperor residing in Kyoto.
2 Also spelled Saghalien.
3 Michie, A., *The Englishman in China During the Victorian Era*, London, 1900, Vol. II, p. 111.

Kurile Islands to Japan and Sakhalin to Russia.[1] This treaty is also noteworthy as Japan's first convention undertaking treaty revision on equal terms with a European state. Russian concessions to Japan on this occasion might be attributed to European complications, which made it impossible for the Russian government to pay particular attention to the Far East. Having defeated Turkey and imposed the Treaty of San Stephano a few years later, 1878, Russia was obliged to yield to British objections to its terms and to join in the Congress of Berlin, again failing to realize the long-sought ice-free port of Constantinople. Commodore Perry advocated American acquisition of coaling and naval bases in the Pacific and, between his two visits to Japan, established such a station at Napa[2] in the Liuchiu Islands. Thinking that the Bonin Islands also would be a beneficial addition, he sent a war vessel to take possession in the name of the United States. Great Britain had laid claim to the group, but neither the American nor the British government took any steps to make good the claims. When the Japanese government later formally announced its intention of reoccupying the islands on the ground of prior discovery by Japanese navigators, both Great Britain and the United States withdrew.[3] Thus, within twenty years of the opening of Japan to world intercourse, certain islands off the coast of Asia were generally recognized as belonging to the

[1] Aston, W. G., *Russian Descents in Saghalien and Itorup, 1806–1807*, in the *Transactions of the Asiatic Society of Japan*, Vol. I.

[2] Also known as Naha and Nafa.

[3] United States, *Foreign Relations*, 1874, pp. 635, 637.

Japanese Empire, many domestic reforms were under way, and the Japanese government was more free to consider further expansion.

Along with domestic development, Japan began to evince a tendency towards imperialism at the expense of China. During the sixteenth century Japan and China had clashed in Korea and had fought each other to a standstill by 1598. The issue was reopened in 1860 when Russia obtained from China the cession of the Ussuri province, thus bringing Russian territory down to the Tumen River.[1] A large number of famine-stricken Koreans and persecuted Christians emigrated into Siberia and were kindly received.[2] In 1866, some Roman Catholic missionaries were murdered in Korea and at about the same time an American vessel was burned in one of the rivers of the country. The crew of the burned vessel having been murdered, the United States joined with France in demanding satisfaction from the Chinese government. Finding that China took upon herself no responsibility for happenings in Korea and seemed to have no objections to whatever steps might be taken in bringing the matter to the official attention of the Korean government, French and American joint punitive expeditions attacked parts of Korea in 1866,[3] 1867,[4] and 1871 to avenge repeated murders of French missionaries and American adventurers, but no diplomatic successes were achieved. These incidents are of importance in

1 Treaty of Tientsin, June 13, 1860. Hertslet, E., *op. cit.*, Vol. I, p. 461.
2 Griffis, W. E., *Corea, the Hermit Nation*, New York, 1882, p. 372.
3 United States, *Diplomatic Correspondence*, 1866, p. 536.
4 *Id.*, 1867, pp. 416, 419.

illustrating the disinclination of China to shoulder any of the burdens and responsibilities of a state over which she claimed suzerainty. Both Japan and the United States were desirous of concluding commercial treaties to open Korea to world trade, but China had persistently refused to negotiate such treaties, referring them to the Korean government on the ground that she was not in the habit of interfering with the affairs of her vassal states. By conceding to the Korean government the right to conclude treaties with foreign states, China tacitly conceded the independence of Korea, and Japan took full advantage of the situation by entering with Korea into the Japanese-Chosen Treaty of February 26, 1876,[1] and the Supplementary Treaty of August 24, 1876,[2] in which, with the consent of China, the independence of Korea is expressly recognized. Fusan was fully opened to Japanese settlement and trade by these agreements, and, in 1880, two other ports were likewise opened. These conventions were unilateral, like those imposed on China and Japan by Western powers, including provision for the establishment of diplomatic and consular relations and the extraterritoriality in criminal matters.[3] Japan had taken the first step toward the continent of Asia.

In 1871, Japan assumed suzerainty over the Liuchiu Islands, China making no counterclaim at the time.[4] Four years later the king of Liuchiu sent

[1] Chung, H., *Korean Treaties*, New York, 1919, p. 205.
[2] *Id.*, p. 209.
[3] Stead, A. (ed.), *Japan by the Japanese*, London, 1904, p. 177.
[4] *North-China Herald*, July 20, 1873.

tribute to Peking as usual, at the same time paying a personal visit to Tokyo, thereby arousing the objections of the Japanese government.[1] In 1876, the newly organized system of Japanese prefectural government was extended to Liuchiu and the former ruler was pensioned, to which step China protested on the ground that the islands always had been tributary to the Chinese Empire. Each country continued to assert its claims, but Japan put her claims in practice while China confined herself to remonstrances. No decision was arrived at until ex-President Grant of the United States visited the Far East in 1880 on a voyage around the world. At his suggestion, a compromise was effected through a conference at Peking. Japan was awarded the title to the northern portion of the Liuchiu group and China retained sovereignty over the southern islands. On the eve of the signing of the agreement, however, the Chinese delegation suddenly withdrew its consent. Japan became impatient, refused to engage in further discussion, and took possession of the entire group in 1881.[2]

China began to realize her mistake in refusing to exercise control over Korean affairs when other nations negotiated treaties upon the same terms as the Japanese treaty of 1876.[3] She then began to attach to each treaty a declaration by the king of Korea, stating that in fact he was tributary to China. These assertions, however, were quietly ignored, although Japan was the only power with whom controversy

[1] United States, *Foreign Relations*, 1875, Vol. I, p. 313.
[2] *Id.*, 1881, p. 229.
[3] Michie, A., *op. cit.*, Vol. II, p. 255.

immediately arose. During a factional fracas in Seoul in 1882, the Japanese Legation was attacked and the entire Japanese colony forced to flee. Intervention by Chinese troops put an end to the uprising, and the legation was reopened under the protection of Japanese troops.[1] Further revolutions and riots followed, in which both Japanese and Chinese soldiers participated, again bringing the two states to the verge of war. An amicable settlement was concluded in 1885 by Count Ito, of Japan, and Li Hung-chang, of China, providing for the withdrawal of the troops of both nations and for written notice by either state to the other of future intention to send detachments into Korea. This was another wedge prying Korea from Chinese control, acknowledging joint influence in Korea.[2]

The outbreak of the Tonghak Rebellion in 1894 caused the king of Korea to ask the Chinese government to lend armed assistance to suppress it.[3] After due notice to the Japanese government, two thousand Chinese soldiers were dispatched to Korea, only to find that twelve thousand Japanese had reached the capital and occupied the treaty ports before the Chinese arrived on the scene. In the meantime, without outside assistance, the Korean army had quelled the disturbance. Japan proposed joint efforts to reform the administration of Korean affairs to prevent a recurrence of such outbreaks, but China gave the characteristic reply that Korea must be left

[1] United States, *Foreign Relations*, 1888, pp. 220–248, 380, 443–444, 453.
[2] Stead, A. (ed.), *op. cit.*, p. 190.
[3] United States, *Foreign Relations*, 1894, Vol. II, p. 15.

to work out her own reforms, as the Chinese Empire did not interfere in the domestic affairs of its vassal states. Japanese troops then attacked the royal palace in Seoul, captured the king of Korea, and forced him to declare Korean independence and request Japanese assistance in driving the Chinese out of the country.[1] A treaty of alliance was concluded by Japan and Korea, August 26, 1894,[2] and China was forced to agree to the Peace of Shimonoseki, April 17, 1895, ceding to Japan the Liaotung Peninsula (then occupied by Japanese troops), the Pescadores Islands, and Formosa. Provision was made for the payment of a war indemnity of 200,000,000 Kuping taels and for the negotiation of new treaties based on "the treaties, conventions, and regulations now subsisting between China and European powers."[3] This provision placed Japan on a plane of equality with Western powers in their relations with China.

The signature of the Treaty of Shimonoseki brought about the intervention of certain European powers. Russia was not pleased at the prospect of having Japan command the entire coast line of Korea and of the Liaotung Peninsula as well, because of the manner in which this would restrict her own ambitions in Siberia and Manchuria. Accordingly, in the interval between the signing and the ratification of the treaty, Russia invited the European powers to intervene to preserve the balance of power and to prevent the menace to China which the occupation of Port Arthur by Japan

[1] United States, *Foreign Relations*, 1894, Appendix 1, p. 5.
[2] MacMurray, J. V. A., *op. cit.*, Vol. I, p. 24.
[3] Hertslet, E., *op. cit.*, Vol. I, p. 364.

would involve.[1] France and Germany agreed to support the intervention, but Great Britain declined, probably because of British suspicion of Russian motives and policy. France, Germany, and Russia together advised Japan not to violate the principle of the integrity of the Chinese Empire by insisting upon the cession of any territory on the mainland of Asia.[2] Such pressure was brought to bear upon the Japanese government that it was unable to oppose the wishes of the three powers and reluctantly accepted the unwelcome advice, retaining only the islands originally demanded.[3] The indemnity, however, was increased to 230,000,000 taels.[4] As was to be expected, Japanese opinion was greatly incensed at Russia for her leading part in the transaction, for which compensation was destined to be demanded within a decade. The direct benefits derived by Russia and France were that the former power was granted[5] the right to build the Trans-Siberian Railway across Manchuria, and France secured the extension of the Tongking Railway into Kwangsi province.[6]

Japanese forces had invaded Formosa in April, 1874, because of the massacre of shipwrecked crews of Japanese vessels, the Chinese government having been unwilling or unable to punish the culprits.[7] A war

[1] Witte, Count, *My Dealings with Li Hung Chang* in *World's Work*, January, 1921, p. 300.

[2] *The Memoirs of Count Witte*, translated and edited by A. Yarmolinsky, New York, 1921, Chap. 4.

[3] Foster, J. W., *Diplomatic Memoirs*, Boston, 1909, Vol. II, p. 150.

[4] Rockhill, W. W., *Treaties, Conventions, and Agreements with or Concerning China and Korea*, 1894–1904, Washington, 1904 and 1908, p. 26.

[5] Peking Agreement, September 8, 1896. MacMurray, J. V. A., *op. cit.*, Vol. I, p. 74.

[6] Peking Convention, June 20, 1895. *Id.*, Vol. I, p. 54.

[7] House, E. H., *The First Formosan Expedition*, Tokyo, 1875, *passim*.

between China and Japan was averted through the good offices of Sir T. W. Wade, the British minister in Peking, and the Japanese retired upon the payment of an indemnity of 500,000 taels.[1] When Formosa was ceded to Japan after the Sino-Japanese War, the Chinese officials there refused to recognize the transfer and declared a republic. Great Britain declined a protectorship of the island in 1895, whereupon the same offer was made to France and likewise rejected. The formal transfer of the island took place, June 2, 1895, aboard a Japanese battleship outside Kelung, as the Chinese commissioners were afraid to go ashore for the ceremony. The Japanese took immediate possession, but were delayed in subduing the southern end of Formosa by the southwest monsoon. By October, 1895, however, all effective resistance was overcome and Taianfu was occupied.[2] China and Japan subsequently agreed to the nonalienation of Fukien province to any third power in the Peking Assurance of April 26, 1898.[3] Thus, before the close of the nineteenth century, we find the Japanese Empire the victor in a foreign war and the proud possessor of conquered islands wrested from the grasp of a much larger and potentially stronger neighbor, and securing a pledge from that neighbor not to transfer territory which is particularly vital to the defense and further expansion of the Island Empire. The Peking Assurance does not protect China from Japan, but only

[1] Dickins, F. V., and Lane-Poole, S., *The Life of Sir Harry Parkes*, London, 1894, Vol. II, p. 194.
[2] Davidson, J. W., *The Island of Formosa*, London, 1903, *passim*.
[3] MacMurray, J. V. A., *op. cit.*, Vol. I, p. 126.

from any *third* power, the assumption being that the second power in the contract suffers no limitations.

After the close of the Sino-Japanese War conditions in Korea remained in a very unsettled state. Japan had tried to impose upon the Korean government Japanese control of all the railroads for fifty years, of all the telegraphs for twenty-five years, and of all the postal routes for five years. Efforts were made to displace the foreign advisers other than Japanese in the employ of the Korean government. The king of Korea was being constrained to abolish Korean diplomatic posts abroad, placing the representation of his interests in the hands of the Japanese legations, but in attempting these subtle changes the Japanese government encountered the opposition of not only the three powers which had forced the retrocession of the Liaotung Peninsula but of Great Britain and the United States.[1] Nevertheless, foreign sentiment was largely favorable to what was believed to be a sincere effort to improve Korean administration until the Japanese overstepped by attacking the royal palace in company with some Korean malcontents, October 8, 1895, murdering the queen of Korea and burning her body.[2] The king of Korea was imprisoned, but four months later he escaped from his keepers and took refuge in the Russian Legation, February 11, 1896.

This event materially affected the future international status in the Far East, as it gave Russia an opportunity to conspire against Japan's position in Korea and paved the way for the Russo-Japanese

[1] Dennett, T., *op. cit.*, p. 508.
[2] *Id.*, p. 503.

War. The presence of the king of Korea in the Russian Legation gave Russia predominant influence over the Korean government, and Japanese influence correspondingly declined. In 1897, the king of Korea took the title of emperor. The Korean government became more corrupt and inefficient than ever. A series of agreements was concluded between Korea and Russia, and Japan began to bend her efforts towards regaining the ground she had lost. Japanese distrust of Russia had been aroused by the forced retrocession of Port Arthur followed by Russian occupation of that region, but the Japanese nation was not yet strong enough to make any effective protest. As a result of the Boxer riots, Russian influence in Manchuria was greatly strengthened, and Japan began to seek a friend and ally to offset her own weakness. Carefully studying the relative strength of the European powers and their relations with one another, Japan eliminated Germany and France from consideration. In 1901, negotiations were opened with both Great Britain and Russia, during which Germany kept in close touch with developments through her diplomats at London and St. Petersburg. The Russian government proved to be too overbearing in its attitude towards the Japanese, as it was accustomed to be towards China. Unwilling to concede anything to Japan, either in Korea or Manchuria, Russia antagonized the Japanese government, which probably would have preferred an understanding with its nearest neighbor in the Far East in the belief that Russia was very powerful and that these two states had more in common than any other combination.

Consequently, Baron Hayashi and Lord Lansdowne entered into serious discussions. Japan felt strong enough to fight any one of the European powers, but was unwilling to risk a struggle with a possible alliance of two or more. An attack on Russia would probably cause France to come into the conflict and it appeared most feasible to prevent such action by an alliance with Great Britain, which would serve to force France to leave Russia to deal alone with Japan. Great Britain, moreover, was interested in preventing Russian advance in western and southwestern Asia. Germany was invited to join the pending alliance but declined,[1] feeling that her interests were better served by allowing Russia and Japan to come to blows in the Far East than by diverting Russia's attention to Europe by the formation of a powerful alliance comprising two European powers.

Accordingly, January 30, 1902, the first Anglo-Japanese Alliance was signed in London, "actuated solely by a desire to maintain the *status quo* and general peace in the Extreme East, being moreover specially interested in maintaining the independence and territorial integrity of the Empire of China and the Empire of Korea, and in securing equal opportunities in those countries for the commerce and industry of all nations."[2] This declaration of high purpose is interesting after reviewing the actual circumstances and considerations which moved the two contracting parties. The independence of China and Korea were recognized with protestations of the absenee of any aggressive poliey

[1] McGovern, W. M., *Modern Japan*, London, 1920, p. 200.
[2] For text, see Appendix II.

in either country, but British interests were strongest in China and Japan was concerned primarily with Korea. If the defense of these interests resulted in war, the allies would strive to restrict hostilities to those directly involved; but if other powers intervened, the other contracting power would come to the assistance of the first. This effectively prevented France from giving open assistance to Russia during the Russo-Japanese War, as Great Britain was bound to aid Japan if such action was taken. The agreement was made for five years, unless either ally was actually engaged in war on the date of expiration, in which event the alliance automatically continued until the end of the war. Upon the conclusion of the understanding, the legations of the respective powers were elevated to embassies, indicating the mutual esteem in which each government was held by the other.

Failing to note the sinister warning underlying the alliance, the Russian government persisted in its derisive policy towards Japan. Disregarding Japan's jealous watchfulness over Korea, concessions were granted for Russian exploitation of Korean natural resources. The emperor of Russia, Nicholas II, and his ministers, with few exceptions, were convinced of the superiority of the Russian army over the despised Japanese.[1] During the same period, Russia alienated the sympathies of other nations by faithlessness in carrying out her pledges for the evacuation of Manchuria. General Kuropatkin, Russian minister for war, was a leading spirit in the policy of aggression

[1] Korff, S. A., *Russia's Foreign Relations*, London, 1922, p. 84.

until he visited Japan in 1902. Then he came to appreciate the actual situation and the state of mind of the Japanese concerning Russia, but by that time the emperor of Russia and other ministers could not be influenced by advice. Plehve, minister of the interior, had urged an aggressive Far Eastern policy to distract popular attention from internal evils, declaring that a little war would do much to help the imperial government to control the domestic situation. The extent of his error is realized when one notes that the resultant conflict was neither little nor beneficial to the dynasty. Japan made repeated efforts to avert war by attempting an amicable settlement in St. Petersburg, but the Russian government was satisfied that Japan would not dare to attack so powerful an adversary. The Japanese government tired of Russian evasion and presented an ultimatum, January 16, 1904, in which willingness was expressed to recognize Russian primacy in Manchuria if the Russian government would reciprocate in Korea. This was a perfectly fair proposal, in the light of the international politics of the day, and Russia would have done well to accept it. As usual, however, the reply was unsatisfactory, and a Japanese fleet attacked Port Arthur, February 9, 1904. War was declared by both powers the next day.

On first examination the relative strength of the contestants seemed most unequal. Although the Japanese navy slightly outclassed the Russian Pacific fleet, a great Russian fleet was in European waters. The Russian army had great potential strength, but was handicapped by being scattered over a wide area from the Pacific Ocean to the Baltic Sea. Mobilization

required a great deal of time. Reënforcements were delayed by the limitations of a single-track railroad, four thousand miles in length, broken at Lake Baikal. Incompetent officers were in command of the Far Eastern forces. Accordingly, Japanese success depended upon quick attacks and early victories, before land or naval reënforcements could arrive. There could be no hope of attacking Russia itself, but the Liaotung Peninsula, Vladivostok, and Sakhalin offered possibilities of success. Therefore, the Japanese high command delivered a series of smashing blows, culminating in the destruction of the Russian combined fleet, the reduction of Port Arthur, and the battle of Mukden. Within Russia itself the war was unpopular: there was no popular enthusiasm, which is so essential to victory. Instead of fulfilling Plehve's prophecy of quieting domestic discontent and concentrating attention on the campaign, the internal situation became so bad that in July, 1904, Emperor Nicholas II was obliged to grant constitutional reforms and seek peace. President Roosevelt, of the United States, sympathized with Japan, as did the majority of the American people, and joined with Emperor William II, of Germany, in persuading Nicholas II to come to terms with Japan.[1] Japan had not actually defeated Russia, and was not in a position to do so. Both Russia and Japan were exhausted after the eighteen months' hostilities, and President Roosevelt's action undoubtedly saved Japan from an internal reform similar to that demanded in Russia. Had the conflict continued, both parties

[1] President Roosevelt was in close accord with Britain and Japan, as revealed in Dennett, T., *Roosevelt and the Russo-Japanese War*, New York, 1925.

probably would have fought to a standstill without victory on either side, and the recent history of the Far East might have been different. Japan, however, had been successful in both of her foreign wars, against potentially stronger nations, China and Russia.

By the Treaty of Portsmouth, September 5, 1905,[1] Japan regained the Liaotung Peninsula, which she had been forced to relinquish in 1895. During the intervening ten years, however, Port Arthur had been converted into a strong fortress and naval base. Dalny, formerly Talienwan, had grown into an important commercial port. The Manchuria Railway had been constructed to connect with the Chinese Eastern Railway extension of the Trans-Siberian Railway in Manchuria.[2] Sakhalin was divided between Russia and Japan. Russia lost not only the Korean concessions which she had refused to evacuate in deference to Japan's wishes in 1903 and 1904, but also her Manchurian predominance, which the Japanese government had been willing to acknowledge before the war. However, much of the territory affected by the Russo-Japanese War was Chinese. The Liaotung Peninsula had been ceded in 1898 to Russia for a term of twenty-five years.[3] As the settlements in the Portsmouth Treaty were made subject to the consent of China, the Japanese government approached the Chinese government for the purpose of securing its formal acceptance of the substitution of Japanese for Russian administration of Kwantung province, in

[1] MacMurray, J. V. A., *op. cit.*, Vol. I, p. 522.
[2] *Id.*, p. 154.
[3] *Id.*, p. 119.

the southern portion of the peninsula. This consent was given, December 22, 1905.[1]

On August 12, 1905, before the conclusion of the Portsmouth Treaty, Great Britain and Japan renewed the Alliance of 1902. This time the objects seem to have changed to "the consolidation and maintenance of the general peace in the regions of eastern Asia and of India" and "the preservation of the common interests of all the powers in China by insuring the independence and integrity of the Chinese Empire and the principle of equal opportunities for the commerce and industry of all nations in China" as well as "the maintenance of the territorial rights of the high contracting parties in the regions of eastern Asia and of India, and the defense of their special interests in the said regions." The laudable purpose of preserving the peace of the Far East must be interpreted in the light of peace which is satisfactory to Great Britain and Japan. By comparing these objects with those of 1902 we find that the independence of Korea is no longer among them, but in the body of the Alliance of 1905[2] Japan is declared to possess "paramount political, military, and economic interests in Corea." In exchange for this, Great Britain inserted the clause re ative to India, supplemented by her "special interest in all that concerns the security of the Indian frontier."[3] Another significant change in the true objects of the alliance appears in Article II, supplanting Articles II and III of 1902. It is now agreed

[1] MacMurray, J. V. A., *op. cit.*, Vol. I, p. 549.
[2] Article III.
[3] Article IV.

that the two powers shall assist each other if either is attacked by "any other power or powers" "in defense of its territorial rights or special interests." Previously, the alliance was directed only against interference by *third* powers and not against possible war with any *one or more* nations. Both signatories agreed that "neither of them will, without consulting the other, enter into separate arrangements with another power to the prejudice of the objects" announced as the purpose of the agreement. Further provision was made for the joint determination of the conditions of armed assistance, and both parties agreed to "communicate with one another fully and frankly" concerning their mutual rights and interests. This alliance was to continue for ten years, unless war should be in progress, in which case it would automatically extend itself until peace was concluded by the two parties to the alliance.[1] Thus Japan and Great Britain sought to protect their respective activities in Asia. Because of the Russo-Japanese negotiations at Portsmouth no public announcement of this agreement was made until the day after the signing of the treaty of peace. The British government specifically and knowingly recognized Japan's preponderant influence over Korea, amounting even to "control and tutelage," and assumed to believe that other powers held similar views on the point. Instead of admitting that the Alliance of 1902 was in any way responsible for or made possible the Russo-Japanese War, the British government stated

[1] For text, see Appendix IV.

that the objects of the new alliance were "purely peaceful and for the protection of rights and interests the validity of which cannot be contested."[1]

Given greater freedom in Korea, Japan made the most of the opportunity. The Protocol of February 23, 1904, had introduced Japanese supervision, under the guise of advice, over the administrative affairs of Korea, in which the Japanese government pledged itself to maintain the political integrity of Korea and to support the imperial house.[2] How well this pledge was observed will soon be evident. In order to enforce the provisions of this maneuver the Japanese were obliged to make a show of force to suppress Korean popular outbursts. The control of the Korean communications services passed into Japanese hands, April 1, 1905, and by a convention dated August 13, 1905, several concessions were secured in the interior of the country. All these steps were taken during the hostilities with Russia, and shortly after the Treaty of Portsmouth the Japanese government, November 17, 1905,[3] assumed control of Korean foreign affairs, resulting in the withdrawal of legations from Seoul and the recall of Korean missions abroad. It will be remembered that this had been attempted in 1895 but had failed in the face of the opposition of other powers. Of course the Korean people deeply resented these inroads upon their national sovereignty and, in 1907, Prince Yong headed a delegation which laid a protest

[1] Great Britain, *British and Foreign State Papers*, 1904–1905, Vol. XCVIII, p. 186.
[2] Chung, H., *op. cit.*, p. 213.
[3] *Id.*, p. 221.

before the Hague Conference, asking that some action be taken to restrain Japan. The Japanese government took offense at this action and, by some strange coincidence, the emperor of Korea abdicated in favor of his son, July 17, 1907, and eight days later a new agreement was announced, increasing the powers of the Japanese resident general at the Korea Court.[1] This convention was so unpopular that a strong Japanese guard was installed to protect the Korean Ministry from violence. The effect of these successive encroachments on the sovereignty of Korea was to give the Japanese government control of the entire domestic administration as well as of the foreign affairs of Korea, but the fiction of Korean independence was continued until August, 1910, during which month the emperor of Korea met his cabinet for the last time, August 24, and five days later signed the Treaty of Annexation by which Japan formally took possession of the country. Although Japanese statesmen defend this step on the practical ground that Korea is infinitely better governed than it had been under the corrupt administration of its own court, it cannot be admitted as a principle of international relations that any nation is justified in absorbing another merely because it feels that it can better administer the other country. Under such a principle, the United States probably could claim title to most of the states of Central and South America, and all the foreign concessions and settlements in China can be justified. It is for the people of any country to determine for themselves

[1] Chung, H., *op. cit.*, p. 223.

when they are best satisfied or what improvements they wish to introduce.

Another field of Japanese activities on the mainland of Asia has been Manchuria, comprising the Chinese provinces of Heilungkiang, Kirin, Fengtien, and, in the Liaotung Peninsula, Kwantung, with a total area of three hundred sixty-five thousand square miles. Manchuria is separated from Siberia on the north by the Amur River and on the southeast from Korea, or Chosen, as it is now known, by the Yalu River. Eastern Inner Mongolia bounds Manchuria on the west, and the Maritime Province of Siberia lies to the east. Although Manchuria lies in the same latitude as Spain, France, Italy, and the northern half of the United States, its climate is not exactly similar to any one of these, except perhaps to those states of the United States which experience long cold winters and hot summers. The plains of Manchuria resemble in appearance those of the American Middle West and are well adapted to agriculture.[1] Among the navigable rivers are the Amur, the Sungari, the Ussuri, the Tumen, the Liao, and the Yalu. The mountains are rich in timber and minerals, giving rise to the important industries of forestry[2] and mining,[3] the

[1] The chief products are soya beans, kaoliang (a sort of sorghum), millet, maize, and wheat, but barley, rice, hemp, jute, tobacco, cotton, wild silk, fruit, and vegetables are grown. Stock raising, an old Manchu occupation, is still engaged in in the western part along the Mongolian border.

[2] About 300 kinds of trees are known in Manchuria, but only about twenty are found in large numbers. Of the total number about forty per cent are conifers, of which Korean pines are most common, frequently four or five feet in diameter. Oaks, elms, and poplars comprise the most common broad-leaved trees. Kirin and Antung are the principal timber markets.

[3] Chinese authorities have listed about 600 mining projects, of which 213 are coal; 26, iron; and 234, gold. Silver, copper, lead, and petroleum are found in smaller quantities, and also some talc, mica, asbestos, fluorspar, sulphur, niter, feldspar, and silica.

latter having been carried on since the twelfth century, although prohibited by the founder of the Manchu dynasty for superstitious reasons.[1] Mining in the modern sense was first introduced by the Russians, and has since been developed by the Japanese. Manufacturing has been encouraged by the Japanese administration, particularly in the production of bean oil, flour, beer, beet sugar, and lumber. Japanese jurisdiction in Manchuria is technically limited to thirteen hundred square miles, known as Kwantung province, and to the railway zone, comprising a total of about one hundred square miles, and includes civil administration, police regulations, and postal service. The South Manchuria Railway Company was created by imperial ordinance in 1906, and has since developed into a semigovernmental agency for the development of Manchuria. Among its activities are railway construction and operation; steamship services; harbor maintenance and administration at Dairen,[2] Yingkow,[3] Antung, and Shanghai, coal mines and collieries; steel works; electricity and gas plants in Dairen, Antung, Fushun, Changchun, and Mukden; street railways in Dairen and Fushun; hotels; and civic planning and administration. The official nature of the enterprise is evident from many points of view[4] and for all practical purposes the South Manchuria Railway Company is the government of the Japanese

[1] South Manchuria Railway Company, *Manchuria, Land of Opportunities* New York, 1924, p. 27.

[2] Formerly Talienwan and, during Russian times, Dalny

[3] Formerly Newchwang.

[4] The president of the railway is always addressed and referred to as *His Excellency.*

leased territory and the power behind the present Chinese provincial administration in Manchuria under Marshal Chang Tso-lin. It is openly charged that the Manchurian warlord, Chang Tso-lin, receives material support from Japanese sources and that during his campaigns against other Chinese forces Japanese soldiers are found among his troops and that Japanese sympathies are with him. Marshal Chang has, of course, employed men of various nationalities as advisers and experts in different lines, but in most cases this is recognized as a private undertaking by the individuals concerned. It is also freely asserted that, despite protestations of the "open door," nationalities other than Japanese are subjected to such discriminations in commercial activities that they experience the greatest difficulty in competing with Japanese merchants.[1] Whatever the facts, Japanese trade and influence are securely intrenched along the railway and Japan's insistence on the extension of the original lease to ninety-nine years places on her the burden of proof to the contrary. Certain facts have been established concerning the extent to which the "open door" is a fact in Manchuria. Between 1906 and 1913 foreigners were "not permitted until further notice to reside and lease or own real property beyond the town limits of Dairen and Port Arthur, but in regard to Russia's rules heretofore in force shall remain in force for the time being."[2] This proviso gave Japanese ample opportunity to become firmly established

[1] See Hornbeck, S. K., *Contemporary Politics in the Far East*, New York, 1916, Chap. 15.
[2] *Japan Year Book*, 1916, p. 38.

before other foreigners were allowed to disturb them. In 1909 Mr. Knox, United States secretary of state, proposed the neutralization of the railways, existing and contemplated, in Manchuria by an international loan to China enabling the Chinese government to buy the Japanese and Russian interests and to construct new lines. This plan would put into effect a practical "open door" and was expected to benefit China. Instead, it caused the Japanese and Russian governments to bury old quarrels and to present a solid front against any interference with their special interests. British, Chinese, and American financial groups were planning to construct a railway from Kinchow[1] to Aigun and had secured the requisite official backing when Russia vetoed the arrangement as a menace to Russian commercial and economic interests. Both Russia and Japan rejected the Knox Plan and forced China to do the same, and France, Germany, and Great Britain declined to support it. The direct harm to China lay in the secret Russo-Japanese Agreement of 1910, whereby NorthManchuria was declared to be under Russian influence and South Manchuria under Japanese.[2] Foreigners cannot own stock of the South Manchuria Railway unless they do so in the name of a Japanese.[3] The only bank in Mukden which handles foreign business is the Yokohama Specie Bank, which gives preferential rates for advances on cargo imports as follows: Japanese,

[1] Also spelled Chinchow.
[2] Kawakami, K. K., *op. cit.*, p. 298.
[3] Letter from the head office, Dairen, South Manchuria Railway Company, February 19, 1925.

seven per cent; foreigners,[1] eight per cent; Chinese, ten per cent.[2] Japanese shopkeepers have three prices for their goods. Japanese residents pay the lowest rate, foreign residents the next higher price, and unkown foreigners the highest of all. This last fact is not applicable only to Japanese, however, as the Chinese merchants resort to the same practice in the case of tourists. Even ricksha coolies seem to be able to recognize the uninitiated and boost their charges accordingly.

Following the abdication of Emperor Hsüan T'ung, February 12, 1912, and the collapse of the imperial Chinese government, the new government of the Republic of China was obliged to raise money to pay its army and to meet other pressing obligations. Negotiations were opened with France, Germany, Great Britain, Japan, Russia, and the United States for a loan of $300,000,000 to be made by the governments themselves and not by private capitalists. Russia and Japan wished to have the loan equally divided among the six powers, regardless of their respective abilities to raise the money, and suggested that the veto of any one power should be sufficient to prevent the expenditure of any of the loan in any given province. Led by the United States, the other four nations opposed both of these proposals on the principle that no power should have a larger share of the loan than it could provide from its own treasury, and that the administration of the funds should be

[1] It is characteristic of Japanese throughout China that they do not refer to themselves as foreigners.

[2] United States, *Commerce Reports*, February 20, 1915.

determined by a majority of the states making the loan. This procedure being agreed to, another difficulty arose when China demanded freedom from foreign supervision of the money borrowed. Being unable to develop domestic sources of income, however, the Chinese government was finally obliged to float a loan of $25,000,000 from private bankers, with an understanding that it might be doubled if necessary. This expedient was bound to be insufficient, and in 1913 a new loan of $125,000,000 was contemplated.[1]

At this juncture President Wilson, of the United States, withdrew his support from the American banking houses which were considering the project, with the result that they were unable to enforce their views, and the remaining five powers concluded the loan in May, 1913. Japan has increased her influence in China by frequent advances of money to the Chinese government, prominent among which was the Nishihara loan of 1918,[2] which have been severely criticized as attempts to secure control of the natural resources of China by using them as security for the loans. It is widely charged that Japan plans to pursue a policy of economic exploitation of China comparable to the policy of domination practiced in Manchuria and Eastern Inner Mongolia. Japanese policy in China was fortified by agreements with Russia in 1907,[3] 1910,[4] and 1916,[5] with Great Britain in 1902, 1905,

[1] Johnson, W. F., *op. cit.*, Vol. II, p. 299.
[2] Tong, H. K., articles in *Millard's Review*, June 8, 1918, October 26, 1918, November 9, 1918, and January 18, 1919.
[3] MacMurray, J. V. A., *op. cit.*, Vol. I, p. 657.
[4] *Id.*, p. 803.
[5] *Id.*, Vol. II, p. 1327.

and 1911,[1] with France in 1907,[2] with the United States in 1917,[3] and with China herself in 1905,[4] 1915,[5] and 1918. The World War offered an unprecedented opportunity for further spoliation, which will be discussed in a later chapter.

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[1] Appendices II, IV, and V, the Anglo-Japanese Alliances.
[2] MacMurray, J. V. A., *op. cit.*, Vol. I, p. 640.
[3] The Lansing-Ishii Agreement, Appendix XI.
[4] MacMurray, J. V. A., *op. cit.*, Vol. I, p. 549.
[5] *Id.*, Vol. II, p. 1216.

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CHAPTER VI

JAPAN IN SHANTUNG

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THE Japanese population in Shantung at the time of the fall of Tsingtau was less than 1,000 persons; by the close of 1916 the number had increased to 2,335; and in 1917, the Japanese government reported 4,880 of its nationals resident in Shantung province.[1] In 1918, this number was swelled to 24,160, of whom 18,563 dwelt in the business district of Tsingtau. At the time of the transfer of Kiaochow Leased Territory to China, December, 1922, about 30,000 Japanese were living in Shantung, 24,132 residing in Tsingtau.[2] At that time there were in Tsingtau 387 other foreigners and perhaps 220,000 Chinese. In June, 1924, the number of Japanese in the city had decreased to 13,592 plus 112 Koreans. Probably there were not more than 20,000 Japanese in the entire province of Shantung, indicating that perhaps 10,000 had departed subsequent to the withdrawal of Japanese political control. It is believed that the number of Japanese families returning to Japan or removing into Manchuria or elsewhere on the continent of Asia constantly is increasing, as seems to be the case in the western part of the United States since 1924.

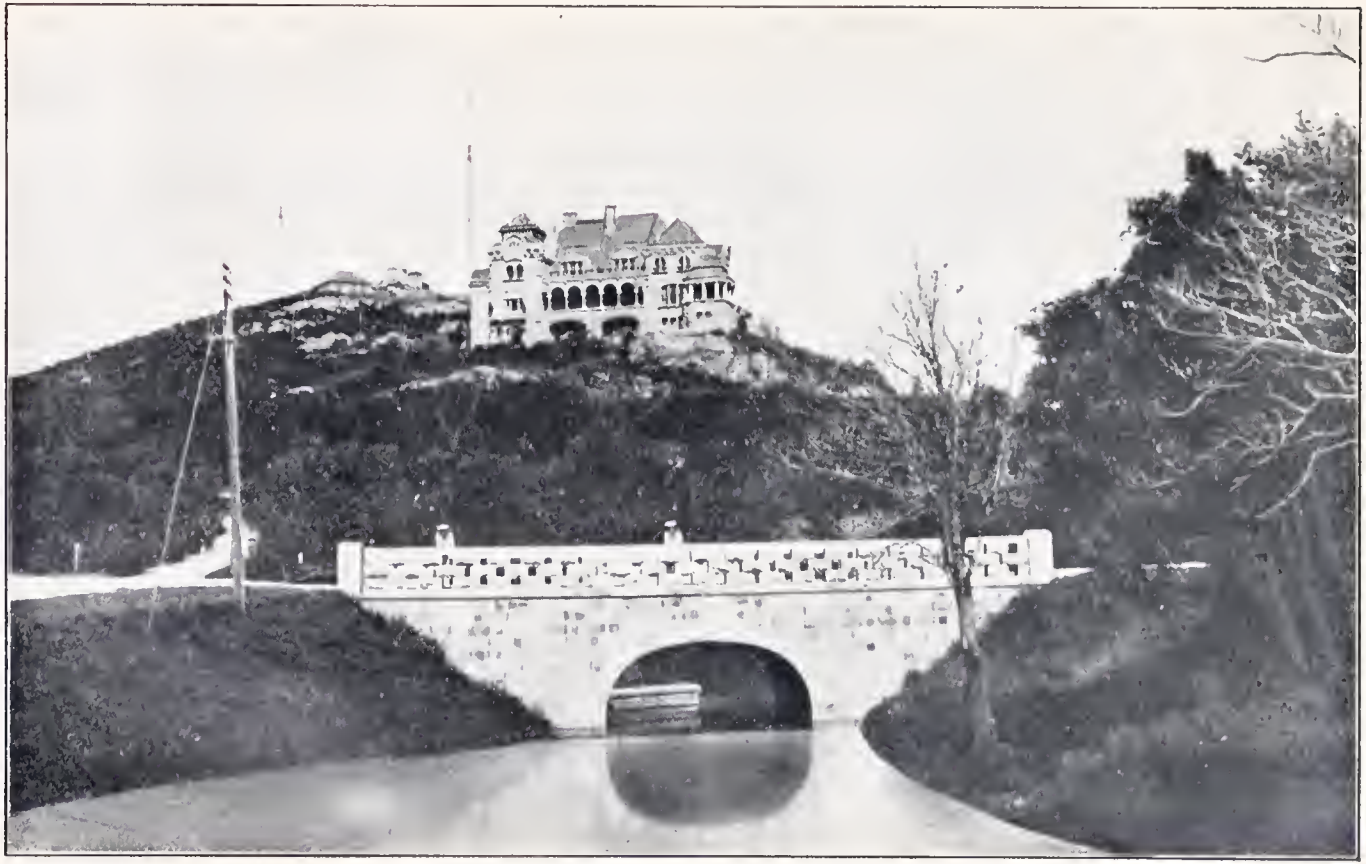
[1] Chen, Ta, *Japanese Emigration to China*, Chinese Patriotic Committee, New York, n. d.

[2] These figures are taken from the *Outline of Tsingtao* published by the Japanese Consulate General in Tsingtau, October, 1924. Unfortunately, to my knowledge, there is no English translation except one in my possession which was prepared specially.

Nevertheless, Japanese influence has been rooted firmly in Shantung, particularly in fields of cultural and economic activity. The Washington Conference and the Peking negotiations changed the course of Japan's political aims, but Japanese schools, temples, hospitals, and publications have not been disturbed by treaty provisions. Schools throughout the province usually were well equipped and manned by good teachers. In Tsingtau[1] in 1924 there were at least six primary and elementary schools, a middle school, an industrial boys' high school, and a girls' high school for Japanese children, a Japanese language school, a Chinese language school, a general college, and a medical college. Upward of two thousand students were registered therein. The Tsingtau Gakuin College was established in 1916 as an English school, being supplemented in 1920 by a commercial department. Evening courses were offered. By 1924 it boasted of 913 Japanese and 580 Chinese graduates. The night courses attract Japanese and Chinese who desire a knowledge of English, Chinese, Japanese, and bookkeeping.

The Tsingtau Foreign Language Association was organized for social and linguistic purposes among the officers and men of the Japanese garrison in 1915. Foreign consuls, newspaper correspondents, and others interested were invited to participate in lessons in foreign languages. The experiment proved so successful that the Tsingtau Foreign Language School was established in July, 1922. At first over one hundred fifty students matriculated, but the withdrawal of

[1] Including Ssufang, Tsangkow, and Litsung.



Commandant's or Governor's Palace

the Japanese administration reduced the classes. In 1924 only about fifty Chinese and Japanese were registered.[1] Similar institutions were opened elsewhere in Shantung, notably in Tsinan.

Japanese educators have made many efforts to induce the Chinese authorities to coöperate with them in establishing and maintaining schools of an advanced character wherein complete college preparatory courses might be offered in addition to industrial and commercial curricula.

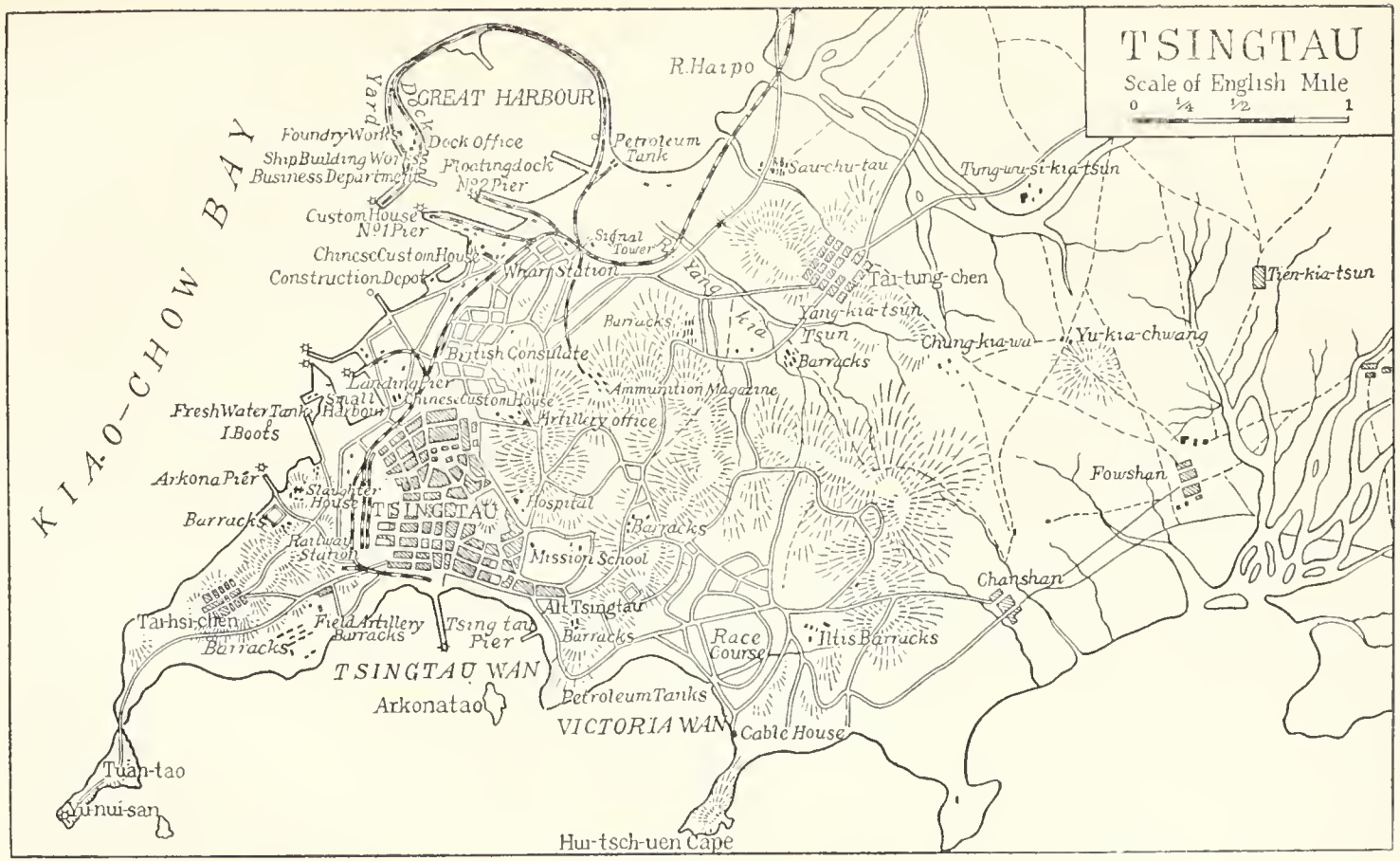
The Tsingtau Medical College is attached to the Tsingtau Hospital, eleven students being admitted in September, 1924. Only Chinese graduates of middle schools are eligible to enroll for the course embracing four years. It is hoped to attract many qualified Chinese desirous of entering the medical profession.

Closely associated with educational programs is the system of hospitals which has been established by the Japanese. The former German military hospital was taken over, operated, and continues to be maintained by Japanese physicians. It is here where the Tsingtau Medical College is situated. Throughout the province several private and government hospitals were opened during the Japanese régime, some of which continue to function. The outstanding example of Japanese cultural propaganda in the field of medical and dental service is the Tsinan Hospital. It is reported that more than a million dollars has been expended in the

[1] The Japanese Consulate General in Tsingtau issued, in November, 1924, a statistical and descriptive account of the cultural organs under Japanese management in that city. This account, however, was published in the Japanese language, a special English translation being prepared for the writer's use.

effort to place it first on the list of hospitals in Shantung. As a result its equipment is of the best, and the staff of Japanese and Japanese-educated Chinese physicians and nurses is widely reputed. Of course considerable time elapsed before the provincial people would patronize the institution because of anti-Japanese prejudice, but that feeling is being overcome. It is now serving six hundred patients daily, including dispensary cases, seventy per cent of whom are Chinese. Charges for medicines and for professional services are within the reach of all. It is not unusual for Westerners to avail themselves of the services of Japanese dentists and physicians, which is evidence of the high quality of work done.

In the field of religion the Japanese have not made much headway in Shantung. Buddhism was Chinese before it was introduced into Japan, and Shintoism does not appeal to the provincial Chinese. In Tsinan there are three Japanese shrines, but their effect upon the Chinese population cannot be noticed. A Shinto school offered instruction in the Japanese language, and its moderate fee attracted some Chinese students, but apparently they were not influenced to any extent by the religious complexion of the institution. In Tsingtau, there is a Japanese shrine and one or two Japanese Protestant churches, but missionary work does not make much headway. It will be observed that the Chinese government objected to one of the Twenty-One Demands concerning the privilege of disseminating Japanese religious propaganda on the ground that the religions of China and Japan already


TSINGTAU
Scale of English Mile
0 ¼ ½ 1
KIAO-CHOW BAY
GREAT HARBOUR
Dock Yard
R. Haipo
Foundry Work
Ship Building Work
Business Department
Dock Office
Floating dock
No 2 Pier
Petroleum Tank
Custom House
No 1 Pier
Chinese Custom House
Construction Depot
Signal Tower
Wharf Station
Yang kia
Sau-chu-tau
Tung-wu-si-kia-tsun
Tai-tung-chen
Yang-kia-tsun
Tsun
Barracks
Chung-kia-wu
Yu-kia-chwang
Tien-kia-tsun
British Consulate
Landing pier
Small Harbour
Chinese Custom House
Ammunition Magazine
Artillery office
Fresh Water Tank
I. Boots
Arkona Pier
Slaughter House
TSINGTAU
Hospital
Barracks
Railway Station
Mission School
Fowshan
Chanshan
Tarhsi-chen
Field Artillery Barracks
Tsing tau Pier
Alt Tsingtau
Barracks
Race Course
Iltis Barracks
TSINGTAU WAN
Arkonatao
Petroleum Tanks
VICTORIA WAN
Cable House
Tuan-tao
Hui-nui-san
Hui-tsch-uen Cape

were so similar as to need no missionary activities on the part of the latter.

During the period of Japanese occupation of Tsingtau several newspapers were published in that city and in Tsinan under Japanese auspices. One daily appeared in English, the *Tsingtao Leader*. The power of the press must not be underestimated, particularly when wielded by conservative editors. With occasional exceptions, these Japanese papers were considerate of Chinese views upon controversial subjects and indulged in few outbursts of an inflammatory nature. Some were published in Chinese for Chinese readers, calculated to win their confidence and friendship.

It is reasonable to expect that Japanese cultural organs will continue to exert a strong influence in Shantung, particularly in Tsingtau, although it is charged that there have been some unpleasant features of the Japanese régime. There are physicians who are or were believed to be active in smuggling opium and its derivatives into Tsingtau.[1] Grain and fish dealers are said to have facilitated the illegal importation of arms and ammunition and general contraband. Instances of unlawful exportation of salt, cereals, and copper coins have been cited in Chinese and foreign journals. Many internal disturbances are attributed to Japanese instigation and participation. Disinclination to observe Chinese laws even when incorporated in treaties and agreements is alleged. No account of

[1] The Japanese Military Administration is reported to have realized a profit of $5,000,000 Mexican currency within seven months in 1918 by importing opium as military stores.

Japanese administration can omit mention of these charges.

In view of the recent world-wide publicity given the opium problem in the Far East it is appropriate to comment upon the extent of the traffic in Tsingtau and Shantung during the Japanese régime. Following the occupation of the leased territory the Japanese government established an opium monopoly therein for the purpose of controlling and profiting from the consumption of opium and its derivatives. This monopoly was discontinued on March 31, 1921, and replaced by a license system whereby habitual users could secure sufficient quantities to allay the suffering attendant upon sudden interruption of the trade.[1] These licenses, issued to smokers and dispensers, were not transferable, but any person desiring a supply of narcotics had no difficulty in purchasing any amount. Private investigations netted the information that the opium was sold in tins under Japanese labels. Japanese officials in Tsingtau averred that the traffic was decreasing steadily and rapidly under the license plan, but unofficial reports disclosed evidence of the distribution of large quantities of the drug within a large radius of Kiaochow Bay. Apparently corruption and bribery played an important part in the complacency of certain administrators, as the Japanese

[1] During 1922 there were 3,113 licensed users in the Tsingtau district. Japaneso narcotic drug manufacturers whose products were seized by the Chinese maritime customs, 1921–1924, included Toa Kagaku Kabushiki Kaisha; Hoshi Pharmaceutical Company; Taisho Seuyaku Company; Kotoseiyaku, Limited; Sankyo Company, Limited, of Tokyo; Osaka Seikwa Chemical Works; Takeda Chemical Works; Tanabe Chemical Works; Japan Pharmaceutical Establishment; Iwata and Company; Kyokuto Drug Works, Osaka; and Otto Reimer and Company, Tokyo and Osaka.

government no longer derived any revenue from the importation or distribution of opium. It has been alleged repeatedly that much opium was brought into Tsingtau with military supplies which were free from inspection. In fairness, however, there can be little doubt that some of the raw opium was raised in Shantung province under Chinese auspices.

Foremost among the economic aspects of Japanese activity in Shantung is the operation of the Tsingtau-Tsinanfu Railway. After the reduction of Tsingtau the railway line was operated by the Temporary Railroad Regiment of the invading forces. This expedient was continued from November, 1914, to March, 1915, when the control was transferred to the Department of Shantung Railway Management of the Tsingtau Garrison. In October, 1917, another change was made by placing responsibility for the operation of the railway in the Department of Civil Administration of the Tsingtau Garrison, where it remained until the transfer to the Ministry of Communications at Peking was effected under the terms agreed upon for the restoration of Tsingtau to China.

It has been conceded quite generally that Japanese administration of the railway was efficient and satisfactory, at least until the closing months of 1922 when the transfer of the properties to China was certain. Trains performed as scheduled. The passenger cars were maintained in comfortable and clean condition. Stations and other buildings were kept in good repair. Employees uniformly were courteous, accommodating, and competent. Reports have been circulated of ill feeling and consequent friction between Japanese

employees and Chinese employees and passengers, but many seem to have had birth in prejudice. It is of course to be expected that the Chinese would be likely to feel unfriendly towards those who injected themselves so forcefully and persistently into Shantung and it also is to be expected that exaggeration would be likely to creep into many accounts, exactly as was the case concerning German atrocities in Europe during the Great War. One criticism of the Japanese management which probably had a large element of fact within it was the complaint concerning excessive formalities and regulations, otherwise labeled as "red tape." Passengers to and from the leased territory were constantly annoyed by the insistence upon the production of passports, regardless of how often they happened to pass through the same station. Inspections of that nature, incidental to crossing frontiers of states, were enforced by Japanese officials without fear or favor and naturally provoked unfavorable comment. During the first few years almost all the more responsible positions, including guards, trainmen, and enginemen, were filled by Japanese, arousing resentment among many Chinese who had held similar posts under German administration. Large numbers of Japanese railway men migrated from Manchuria and Japan under assurance of permanent tenure before the Japanese government had any intention of relinquishing its political control in Shantung. This group constituted one of the problems of the restoration period, demanding that adequate compensation be granted to make up for their disillusion.

As in Manchuria, allegations were prevalent that the railway officials practiced discrimination in favor of Japanese shippers. Chinese coal operators declared that in order to secure cars in which to transport their product to tidewater for transshipment it was necessary for them to join a Japanese guild. These organizations were recognized by the Japanese government on the theory that they aided in the standardization of goods as to quality and measures. Nonmembers are said to have experienced long delays in shipments and restricted facilities. As can be surmised, it is exceedingly difficult to secure conclusive evidence of such practices if they did exist, cleverly disguised. Students of trade regulation by the government of the United States will recall the discriminations practiced by various railroads during the last quarter of the nineteenth century to favor certain shippers. Rebates were allowed large shippers to the disadvantage of others, the published tariff being the same for all. Demurrage charges varied with the importance of a customer's business. Terminal facilities, including warehouse and elevator space, were manipulated with the object of currying favor with those in a position to give a given line most business in highly competitive districts. However unethical, it is not unnatural for Japanese to favor their countrymen, just as other nationalities have the same tendency.

Without question the underlying purpose of the Japanese administration of the Shantung Railway was to serve Japan first. This thought runs through Japanese comments upon the utility of Shantung province, particularly those published in Japanese

newspapers and periodicals. Every effort was made to develop commerce in localities served by the line. A comparison of the business transacted by the Kiaochow-Tsinan Railway during German times (in summary) and during Japanese control (by annual reports) will attest the degree of success of the Japanese policy:

	NUMBER OF PASSENGERS	TONNAGE OF GOODS	OPERATING EXPENSES*	GROSS REVENUE*	PERCENTAGE OF INCREASE
1905†	803,527	310,482	$ 745,394	$ 1,912,296	
1913‡	1,317,438	946,610	1,191,691	4,130,162	
1915	1,117,875	874,898	1,825,000	3,928,000	
1916	1,666,860	1,074,198	1,741,000	4,821,000	22%
1917	2,065,654	1,287,904	2,061,000	5,347,000	11%
1918	2,159,940	1,511,057	2,575,000	5,684,000	6%
1919	2,545,268	1,733,375	2,863,000	6,983,000	23%
1920	2,945,132	1,904,229	4,016,000	7,188,000	3%
1921	3,451,165	1,971,308	4,912,000	8,488,000	18%
1922	3,777,054	2,093,815	4,854,000	8,826,000	4%

* These figures of expenses and revenue indicate Mexican dollars.
† The first year of German operation.
‡ The last year of German operation, 1914, being omitted because of the Japanese offensive.

The increased traffic made it necessary for the Japanese authorities to augment the equipment of the Shantung Railway. This was done by placing contracts for locomotives in Japanese and American shops, by increasing the size[1] and number of freight cars, and by

[1] The German goods or freight cars were of 15 tons capacity. Economy led to the installation of 30-ton cars by the Japanese. This change introduced cars with double trucks, supplementing the original four-wheel, single-truck type.

purchasing additional passenger cars of certain types. The size and weight, as well as the number, of the locomotives were increased, making it possible to operate longer and heavier trains. Unfortunately, the

	GERMAN EQUIPMENT	TOTAL AT TIME OF TRANSFER
Locomotives	59	102*
Passenger Cars		
First-Class	6	6
Second-Class	20	25
Third-Class	51	99
Miscellaneous †	41	66
	118	196
Freight Cars		
Covered	325	388
Open	782	1,209
Miscellaneous ‡	47	50
	1,154	1,647

* Six additional locomotives were ordered from Japan shortly before the acquisition of the railway by China and were delivered during 1923.
† Including a private palace car (No. 101) used by Prince Heinrich, dining cars, mail cars, baggage vans, and brake vans or crew cars.
‡ Including oil tank cars, water tank cars, crane car, scale car, horse or animal car, fish car, and coal cars.

German-built bridges, numbering three hundred fifty-one, had been constructed to carry loads proportionate to the smaller and less powerful locomotives which were installed in 1905. These spans soon weakened perceptibly under the strain of longer and faster trains and no effective measures were taken by the Japanese to strengthen them. As soon as the return of Kiaochow Leased Territory and the transfer of the railway and mining properties was assured, whatever plans Japanese officials may have had for replacement of antiquated bridges were discarded. No accidents occurred until shortly after the transfer, when a freight train drawn by

two locomotives plunged through an eight-span bridge, killing the drivers. Thereafter the Chinese administration was obliged to reduce the speed of trains while crossing all major spans, and in many instances to order a full stop before proceeding. This has resulted in slower service, and consequently in fewer possible trains. Normally the main line will accommodate twenty-two pairs of trains a day, or forty-four trains in both directions. The reduction of speed has limited the number which can be operated to fifteen or sixteen pairs. Towards the close of Japanese control little attention was paid to repairs, either to equipment or roadbed, with the result that the railway was in very poor physical condition in 1923.

Administered in conjunction with the railway under both German and Japanese management was the harbor at Tsingtau. This arrangement made possible the greatest coördination of facilities for the transshipment of goods between steamers and trains. Freight cars could be loaded directly from ships, using either the booms and donkey engines aboard the vessels or cranes on the docks. This effected a saving of labor and time as well as of expense. Upon occasion, troops arriving in Tsingtau could be transferred to waiting passenger cars without delay and carried to their destination. One of the most valuable assets of the Tsingtau harbor during the German régime, a sixteen-thousand-ton floating dock, was removed to Sasebo, Japan, in 1915 by the Japanese warship *Fuji*. No mention was made of this property in the negotiations leading to the transfer.

Among the many Japanese activities throughout Shantung province, none has been more unpopular with the Chinese residents than the Japanese operation of coal and iron mines along the lines of the Kiaochow-Tsinan Railway. The Japanese government assumed control equivalent to ownership of the Tzechwan and Fangtze coal mines and of the Chinlingchen iron mines. The Fangtze mines were worked by a private corporation[1] under government contract, and the two others mentioned were directed by the railway administration.

The Tzechwan field was estimated to contain eight hundred million tons of anthracite, semibituminous, and bituminous. The Japanese government stressed the importance of this district because the naval authorities found the anthracite deposits valuable. Part of the mine machinery was damaged by the Germans in 1914, resulting in the flooding of the properties to such an extent that much time was lost by the victors in restoring them. By the end of 1916 production was normal. New shafts were opened and modern equipment installed, thereby enlarging the output from 413,003 tons in 1913 to 550,289 tons in 1921. Chinese coolie labor was employed, most of the men living in a village appurtenant to the colliery. Japanese capital[2] invaded the Poshan district, where Chinese mines were operating. Although the Chinese owners were reluctant to dispose of their holdings, conditions were made so difficult for them by devious methods that many of them have been obliged to

[1] Fangtze West Colliery, S. Yoshiki; Fangtze East Colliery, G. Matsunami.
[2] The total of Japanese investments exceeded 6,000,000 yen.

Floating Dry Dock, Removed to Japan Before the Restoration

abandon their workings. This region, along with the Tzechwan section, was rated at 1,500,000,000 tons, much of which was adaptable to the production of coke.

The Fangtze-Weihsien fields also were flooded by the retreating Germans, the main shaft being rendered practically useless. Japanese operations were commenced in 1917, several new shafts having been sunk. This district was more difficult to mine than the Tzechwan field because of the noncontinuous seams of coal, and the profits were not so great. The German output, 1913, was 198,988 tons, whereas the Japanese operators were able to produce but 155,512 tons in 1921.

In order to attain and hold the position of a world power it was absolutely essential that Japan secure control of large resources of coal and iron. The Japanese people and government were committed to the Greater Nippon idea, this consideration being to some extent responsible for the annexation of Korea in 1910. Coal was not found in sufficient quantities in Korea, however, although deposits of iron were valuable. Disappointment in Korean and Manchurian resources led the Japanese government to weigh the possibilities of securing access to the reputed boundless deposits in Shantung.

The Chinlingchen iron mines, together with the Han Yeh Ping mines, are believed to be the richest in China. Cognizant of this, Japanese interests launched upon a program of acquisition. Estimates of the iron deposits at Chinlingchen approximate twenty million tons of easily accessible ore, with far greater resources more difficult to mine. The German output was

about three hundred fifty thousand tons annually. Before adandoning the property the German operator had done considerable damage to the equipment and shafts, making it impossible for the Japanese to produce iron for almost two years after their arrival. To facilitate rail shipment to Tsingtau for transshipment by steamer to smelters at Kyushu, Japan, a railway spur five miles in length was built to connect with the main line of the Kiaochow-Tsinan Railway at Changtien. It then became possible to deliver the ore in Japan at a cost of about six dollars a ton for transportation. Labor and other items of expense in the mining processes were found to be twenty per cent lower than in Manchuria and Korea. German engineers had ascertained that the ore contained sixty-five per cent iron, twenty-four per cent manganese, and three per cent sulphur, and these figures later were confirmed by the Japanese operators.

The production and export figures for coal, coke, and iron during the period of Japanese occupation will afford a convenient summary of the extent and value of the industry. The discrepancy between the tonnage produced and the tonnage exported is explainable by the delivery of large quantities of coal to the railway, some in the form of briquettes made at Fangtze; by the utilization of coal in domestic and industrial establishments; and possibly by the coaling of Japanese naval vessels and Chinese and foreign merchantmen at Tsingtau. The mines at Chunghsing, Poshan, and Huafung were owned and operated by Chinese, but their output has been included in the following table

for purposes of completeness in interpreting the export figures and values:

COAL	1916	1917	1918	1919	1920	1921	1922
Chunghsing	349,339	428,064	518,598	566,018	683,112	659,764	756,266
Poshan	250,000†	300,000†	300,000†	300,000†	350,000†	400,000†	400,000†
Huafung	35,000†	35,000†	35,692	29,400	32,448	37,761	50,161
Tzechwan	458,437	457,544	518,593	446,894	504,250	513,003	675,075
Fangtze	—	—	43,004	71,817	133,436	164,016	180,202
TOTAL	1,092,836	1,220,608	1,299,119	1,414,129	1,699,810	1,883,544	2,061,704
Exported	—	—	172,311	135,410	258,978	274,149	338,124
Value*	—	—	1,539,014	1,218,690	2,338,526	2,439,926	2,840,241
COKE							
Exported	—	—	57,836	17,575	8,968	22,992	23,712
Value*	—	—	799,611	221,445	110,324	352,912	256,089
IRON							
Chinlingchen	—	—	—	178,847	182,164	88,204	25,745
Exported	—	—	1,855	1,088,648	2,579,825	1,428,584	1,190,683
Value*	—	—	279	219,701	507,982	287,717	347,544

*The monetary unit used in this table is Kiaochow taels.
†Estimated tonnage, in the absence of exact figures.

Along the shores of Kiaochow Bay Japanese enterprisers developed salt fields to supply the demand in Japan. The consumption of salt in Japan exceeds the supply by fifty per cent. The demand for salt in Korea also is greater than the supply. This situation compelled Japan to seek available supplies elsewhere and the capture of Tsingtau and the occupation of the Kiaochow Territory furnished the desired opportunity. The Kiaochow salt was found to be of high quality and it was possible to exploit the bay region with the assistance and encouragement of the Japanese military and civil administration. At the time of the transfer of the territory to China fifty-five per cent of the Kiaochow salt fields were in Japanese hands and forty-five per cent of the total area of the fields was owned by Chinese. Japanese operators controlled

1,414 fu of 409 acres each ; Chinese holdings totaled 1,071 fu, producing upward of 200,000 tons of salt by the close of 1922. Of this total, 123,595 tons were exported to Japan, 42,093 tons to Korea, and 27,243 tons to other places in 1921.[1]

Having reviewed a few of the major economic activities of the Japanese in Shantung province, it is only necessary to mention their enterprises in the fields of banking and manufacturing. Typical industries include albumen or egg-drying factories, canneries, cement works and brickworks, spinning and weaving mills, distilleries and breweries, electric power plants, flour mills, furniture factories, glass and porcelain works, ice plants, iron and steel works, lace and hair-net factories, leather factories and tanneries, match factories, needle and nail factories, oil mills for peanut oil, paper mills, printing plants, sawmills, silk mills, smelting works, soap and candle factories, beet sugar refineries, and tobacco factories.

Manufacturing establishments such as those given above are financed largely or entirely by Japanese capital and rely upon cheap Chinese labor. Executives and foremen usually are Japanese, resulting in many labor troubles which are traceable to national antipathy as much as to conditions of labor or wages. Arrogant and thoughtless Japanese foremen, often armed, irritate the workers sometimes to the point of open defiance. Many strikes and riots result, among which may be mentioned the outbreaks in Tsingtau and

[1] D. S. Chen published in Chinese a report on the subject of Shantung salt, comprising data and impressions derived from a visit to Kiaochow for the purpose.

Shanghai in the spring of 1924, which so profoundly affected international relations in China.

It is evident that with investments in so many fields the Japanese business men have no intention of withdrawal from Shantung. Although Japanese political influence was removed from direct control of the administration of Tsingtau, the social and economic aspects of the period of Japanese occupation tend to remain. Surface indications are that the Japanese contemplate securing and retaining commercial mastery and leadership throughout the province of Shantung. It is highly improbable that any political conventions or conferences will alter this determination; indeed, how could it be accomplished ?

It is impossible to discuss Japan's policy in Shantung without including a political step of wide economic significance. In accordance with instructions from Tokyo Mr. Hioki, the Japanese minister to China, presented the famous Twenty-One Demands to President Yuan Shih-kai on the evening of January 18, 1915. Without complying with usage, which dictates the utilization of the diplomatic channel in presenting communication between governments, Mr. Hioki ignored the Waichiaopu by sending to the president of China a copy of the demands a short time before the evening's interview. The Japanese government since has justified this procedure on the ground that Yuan Shih-kai was virtually supreme in the Chinese government and had exercised so much personal control and oversight that it was unnecessary to engage in indirect discourse through the Foreign Office. The Japanese minister stated that his country was deeply concerned in China's

welfare and therefore felt obliged to offer "friendly advice" at critical times. It was highly desirable, in order to prevent possible "complications," that no information concerning the matter under discussion be given out until the two governments had settled it between themselves. Accordingly, negotiations should be concluded without delay. Failure of China to accept the proffered "advice" might make it impossible for the Japanese government to further restrain Chinese revolutionists who had taken refuge in Japan as was customary when residence in China became too unhealthful.[1]

Despite the desires of the Japanese Legation for secrecy, news of the nature of the proposals leaked out through Mr. W. E. Giles, a British subject in Peking representing the *China Press*. The news was transmitted to newspapers in the United States at about the same time by Frederick Moore, then correspondent of the *Associated Press*, in order that American public opinion might be informed of the situation. Before publishing such startling disclosures, the *Associated Press* sought the verification of the Japanese Embassy in Washington. In consequence of the denials of the Japanese government and of Japanese news agencies and propagandists both in China and the United States the story was discredited and Mr. Moore was censured for transmitting "rumors unsubstantiated by facts," whereupon he resigned. Dr. Paul S. Reinsch, the American minister to China, first learned

[1] It has been declared by some who profess to know that the demands were written on Japanese War Office stationery, watermarked with dreadnoughts and machine guns. The Japanese government has declined to reply to a direct question on this point.

of the nature of the Japanese proposals on January 22, while calling on one of the Chinese officials.[1]

Although it is difficult to determine just how this information was obtained by the newspapermen, it is suggested that Chinese officials quietly and "unofficially" allowed the substance of the demands to become known in a certain legation in Peking with a hint that if it became generally known throughout the Diplomatic Corps and among the newspaper correspondents it would do China no harm.

Japan's allies in the Great War received the news with surprise and incredulity. Official inquiries were made in Tokyo and Peking, the Chinese government "reluctantly" admitting the truth of the rumors and supplied copies of the demands. Japan made vigorous denials "upon the highest authority" in Washington and in the capitals of Europe, but later admitted having presented to China a memorandum comprising "eleven" proposals, omitting the most objectionable portions of the original Twenty-One Demands.[2] The extent to which Japan succeeded in misleading the powers is revealed by the fact that as late as February 19, 1915, the Department of State of the United States was under the impression that the fifth group on the demands was not being urged. Although the full text of the original demands had by that time been communicated to the principal powers, the discrepancy in statements led the United States government to assume that Japan really was not pushing

[1] *Asia*, November, 1921, p. 939.

[2] For texts of both the original and the revised demands, see Appendices VI, VII, and VIII.

Group V. Dr. Reinsch immediately corrected his government on this point, pointing out that Mr. Hioki had informed the Waichiaopu on the eighteenth of February that the negotiations could not be confined to the first four groups.

In the text of the original demands it will be noticed that each of the first four groups is preceded by a preamble, but there is no preamble to the fifth group. Although the demands of this last group were of a particularly distasteful nature, no difference is indicated in the document between them and those embodied in the preceding groups save the omission of a preamble.

These demands comprise the best revelations of Japan's intentions towards China during the period of the Great War which have come to light. They embody all the five fundamental policies of Japan in China; namely, economic exploitation, territorial expansion, paramount influence, political control, and an "Asiatic Monroe Doctrine." For the sake of illustration, let us divide the Twenty-One Demands into five such categories, representing these policies. The five groups into which the Japanese government originally divided its demands correspond roughly with the policies as outlined. The program of economic exploitation is portrayed in Group II, Article 4, and in Group III, Articles 1 and 2; territorial expansion is provided for in Group II, Articles 1 and 3, and in Group V, Article 3; the policy of paramount influence appears in Group I, Articles 1, 2, 3, and 4, in Group II, Articles 1, 5, 6, and 7, and in Group V, Articles 2, 5, 6, and 7; the desire for political control

is revealed in Group V, Articles 1, 3, and 4; and the conception of an Asiatic Monroe Doctrine appears in Group IV.

However, in order to analyze the demands as actually presented, it is necessary to treat them in the groups in which they were arranged by their author. In the first group Japan provided for the disposition of the former German territory as if she alone had captured it, disregarding the part played by the British Indian troops. Inasmuch as Japan did so ignore her British ally it seems probable that some understanding had been effected between the two governments, since the presence of the British force was deliberate and not accidental. Quite possibly such understanding was a forerunner of the secret exchange of notes of February 16, 1917. Whatever the situation, the disposition of the German territory should have been left for action of the Peace Conference at the close of the war.

The demand that China agree not to alienate any portion of Shantung province to any third power is of more than passing interest, as it plainly allows such alienation to Japan, the second power in the case. The real significance of the first group hinges upon the railway situation in North China. In addition to the Shantung Railway, Germany had, December 21, 1913, secured a concession to construct branches or extensions southwest from Kaomi to Ichowfu and Hanchung and westward from Tsinanfu to connect with the Peking-Hankow line. Japan claimed these rights and, in addition, the concession for a branch from Weihsien to Lungkow and Chefoo. By this arrangement Japan would be in a position to dominate

China north of the Yangtze valley and be able to isolate Peking, by land as well as by sea, through control of the Gulf of Chihli.

The second group appears to violate openly the principle of the "open door" in South Manchuria and Eastern Inner Mongolia, by permitting Japanese freedom of travel, residence, business, ownership, and leasing of land, mining, and building rights throughout the region. The preamble alleges that the "Chinese government has always acknowledged the special position enjoyed by Japan in South Manchuria and Eastern Inner Mongolia," whereas China never had done so, beyond transferring to Japan under pressure in 1905 the concessions which had been Russian. The extension of the lease of Port Arthur, Dairen, and the South Manchuria Railway was greatly desired by Japan before the outbreak of the Great War, but the Chinese government had adhered rigidly to its resolution not to grant further leases nor to extend the terms of those already in existence. As the leases in question were to expire in 1925 the Japanese government was eager to provide some means whereby it could postpone the evil day of abandoning its favored position and the Great War provided an opportunity to bring pressure to bear upon China without the risk of intervention by other powers.

In the third group we can discern the ambition of Japan to control the largest iron works in China and to monopolize the mineral resources of the Yangtze valley. The realization of this ambition would introduce Japanese influence into the very center of the British sphere of influence in central China. Although

the avowed purpose of the joint control proposed was to advance the common interests of China and Japan, it is probable that the latter nation would benefit the more by Japanese control in effect of these industries. The necessity of Japan's securing access to deposits of coal and iron is responsible for much of her Chinese policy, as announced by Viscount Uchida, minister for foreign affairs, at the opening of the Diet in Tokyo in January, 1919:

> "We have to rely in a large measure upon the rich natural resources of China in order to assure our own economic existence."

The single demand of the fourth group again brings in the words "to a third power." The pretext is the preservation of China's territorial integrity, but upon examination it will be seen that China is not protected from Japan but only from any "third power." Japan was greatly alarmed by the rumor prevalent in the Far East that a lease of a harbor adjoining the Foochow Arsenal, Fukien province, for the purpose of reorganizing and modernizing the arsenal, was to be granted an American corporation, the Bethlehem Steel Company. The story was officially denied by Mr. J. V. A. MacMurray, secretary of the Legation of the United States in Peking, but the demand was a logical result of Japanese suspicions.

Baron Kato informed the Japanese Diet that Group V represented his country's "wishes," not "demands," with a view to ascertaining China's attitude upon the points involved.[1] However that may be, Group V

[1] Hornbeck, S. K., *op. cit.*, p. 312.

was the most severe and outrageous of all. It would have placed the Chinese Republic in a position similar to that of Korea immediately prior to its annexation in 1910 by Japan and therefore was firmly declined by the government of China. The proposal for joint police administration by China and Japan clearly would interfere with the domestic affairs of the Republic, however desirable it might be from the viewpoint of efficiency, and become an infringement of China's sovereignty. The entire group bears a striking resemblance to the measures taken by Japan in Korea after the Russo-Japanese War as a prelude to annexation. Japan evidently contemplated making China dependent upon Japanese arsenals for arms and munitions. Of course it might be economically wasteful for the various nations of the world each to maintain expensive plants for producing munitions of war and it might be economically advantageous to concentrate production in a few large-scale enterprises, but international society does not yet seem to have approved the idea. Concerning the employment of Japanese advisers it is interesting to observe that Japan herself still employs some foreign advisers and therefore might be presumed to be in a rather poor position to advise China. The obvious intent, of course, was not "advice" but "control." The demand for permission for Japanese missionaries to carry on propaganda was correctly answered by Chinese spokesmen by pointing out that the religions of the two countries are identical and therefore no missionary work is needed.

Another significant feature of this fifth group was the apparent desire of the Japanese government to

invade the British sphere of influence in the Yangtze valley by demanding railway concessions there. Existing agreements between China and Great Britain, dated March 6, 1908, March 31, 1914, and August 24, 1914, granting concessions to British interests, seem to have been ignored. The Tokyo Foreign Office could not have been uninformed of the fact that the railway concessions demanded already had been given to Great Britain, particularly as Sir Edward Grey, British secretary of state for foreign affairs, stated in Parliament that Japan had been informed of concessions already secured by British subjects.[1] The Chinese negotiators correctly called the attention of Mr. Hioki to this situation as the reason why the Japanese demand could not be met.

The plenipotentiaries selected to carry on the negotiations were Mr. Hioki, the Japanese minister to China; and Mr. Obata, the counselor of the Japanese Legation in Peking; Lu Cheng-hsiang, Chinese minister for foreign affairs; and Tsao Ju-lin, vice minister for foreign affairs. The Chinese representatives are said to have been selected by the Japanese government, little voice being allowed China in the choice of her own delegates, by the simple device of *persona non grata*. Twenty-four conferences were held between February 2 and April 17, 1915,[2] in which China agreed either in principle or textually to fifteen of the original demands. The remaining six were reserved for future discussion by mutual consent. Mr. Hioki endeavored

[1] Great Britain, *House of Commons' Debates*, April 22, 1915.

[2] Japan desired daily conferences, but the Chinese representatives successfully held out for but two meetings a week.

to secure China's acceptance in principle of the entire Twenty-One Demands, as a prelude to detailed discussion of separate items, but Mr. Lu firmly declined to consider the suggestion. The meetings were suspended twice by Mr. Hioki, conceivably with the object of bringing pressure to bear upon China to accept his government's views upon particular points in controversy, and following the fall of the Japanese minister from his horse on March 17 the Chinese delegates proposed holding future conference at the Japanese Legation in order to expedite the business. No minutes were kept of the discussions, and consequently no record is available showing precisely what took place at these meetings. The Chinese government later issued official reports of the proceedings of the more important conferences, but they of necessity are sketchy and incomplete. The Japanese attitude throughout the negotiations is aptly displayed by Mr. Hioki's justification of his position and defense of the reasonable nature of his government's demands:[1]

> "The present crisis throughout the world virtually forces my government to take far-reaching action. When there is a fire in a jeweler's shop, neighbors cannot be expected not to help themselves."

At the second conference, February 18, the Japanese minister peremptorily demanded that the entire body of the demands be negotiated. It was upon hearing of this that Dr. Reinsch, the American minister, cabled to President Wilson inviting his personal attention to the demands, which affected the rights and legitimate prospects of Americans in China. President Wilson,

[1] *Asia*, November, 1921, p. 940.

however, had in the meantime sent a personal letter to Dr. Reinsch under date of February 8, saying in part:[1]

> "I have had the feeling that any direct advice in China, or any direct intervention on her behalf in the present negotiations, would do her more harm than good, in as much as it would very likely provoke the jealousy and excite the hostility of Japan, which would first be manifested against China herself. . . . For the present I am watching the situation very carefully indeed, ready to step in at any point where it is wise to do so."

On March 11, 1915, the Chinese were informed that a Japanese fleet had sailed under sealed orders and that a contingent of thirty thousand Japanese troops was being sent to Manchuria and Shantung on the fifteenth of the month to reënforce those already there. The reason given for this movement of men was the necessity of relieving the garrisons (whose term had not yet expired), but the Japanese minister stated that the retiring troops could not be withdrawn until the negotiations had been brought to a satisfactory close. Strategic dispositions of the soldiers unmistakably were directed against possible trouble in China, causing much alarm and indignation among the Chinese people. Ill feeling was aroused especially because of Japan's violation of treaty stipulations fixing the size of garrisons in Peking, in Tientsin, and along the tracks of the South Manchuria Railway. When the Chinese government inquired as to the purpose of the sudden influx of troops, Baron Kato stated that

> "the dispatch of troops to South Manchuria and Shantung is really for the relief of the Japanese garrisons, only a little earlier this year than usual."

[1] *Asia*, November, 1921, p. 941.

Negotiations were suspended on April 17 in deference to the insistence of Mr. Hioki, and were not resumed until nine days later when he surprised the Chinese government with a new list of Twenty-Four Demands. This he said was the final proposal of his government and must be accepted without delay. If China would agree to the new demands without modification the Japanese government was prepared to state that the leased territory of Kiaochow Bay would be restored to Chinese sovereignty "at an opportune time in the future and under proper conditions." The Chinese Foreign Office acceded to some of the proposals on May 1, but declined to accept others, accompanying its reply by a memorandum outlining and justifying its position.

Immediately upon receipt of this "unsatisfactory" response, "adequate" steps were taken to bring China to accept the demands. Additional troops were dispatched to Manchuria, Shantung, and to Japanese concessions in Hankow, and Tientsin. Warships were ordered to Chinese waters and every preparation apparently was made to intimidate the Chinese government into submission. A Japanese cabinet meeting on May 3 decided to issue an ultimatum, the wording of which was discussed during a four-hour conference the next day. On the fifth martial law was proclaimed in the Kwantung Peninsula and the Japanese consul at Chefoo ordered his countrymen there to be prepared to embark in two days. The emperor of Japan signified his approval of the drastic action advocated by the Japanese cabinet and the ultimatum was cabled to the Peking Legation on May 6. That evening

Mr. Hioki notified the Waichiaopu that the expected notice had arrived and urged the Chinese officials to reconsider their stand.

Great excitement prevailed in Peking, some influential persons exhorting the government to resistance and others advocating submission. A member of the staff of the Japanese Legation is reported to have suggested to Mr. Lu that if he had any further proposals to make the legation might be able to recommend moderation of the ultimatum. President Yuan Shih-kai and his associates were stampeded into throwing their advantage to the winds, and an emissary was sent to offer concessions of Group V concerning Japanese advisers. Count Okuma had declared on the third of April that "Japan has not demanded the appointment of Japanese advisers," but on May 7 the Reuter news service published an official statement in which Japan insisted upon the acceptance by China of "influential Japanese as political, financial, and military advisers." Mr. Hioki was quick to perceive the consternation among the Chinese officials and decided that more was to be gained by playing further upon their fear. Accordingly, he "regretfully" informed Mr. Lu that the Japanese Legation was powerless in the presence of commands from Tokyo, and on the afternoon of May 7, at three o'clock, he presented to China the ultimatum. Contrary to usage, it was written in Japanese without a Chinese text. To the surprise of the Chinese government Group V was not included, but as Japan had repeatedly denied the intention of pressing that group in response to inquiries

from foreign chancellories she could not very well incorporate it in the ultimatum.

The Chinese cabinet and the military leaders met in the president's palace in Peking on the eighth of May to consider what should be done. After four hours of deliberation it was decided to accept the ultimatum. The Japanese minister was asked to appoint a day to call at the Waichiaopu " to make literary improvement of the text and sign the agreement." This was done on May 25, 1915.

By the Sino-Japanese Treaties of 1915 China agreed to consent to whatever disposition of German rights, interests, and concessions in Shantung should be agreed upon by Germany and Japan. The projected railway to Lungkow and Chefoo should be built by China, and should Germany abandon the privilege of financing the branch line Japanese capitalists should be approached for a loan. Certain places in the province were to be opened to foreign trade and residence. Japanese demands concerning South Manchuria and Eastern Inner Mongolia were covered by a separate pact, and several matters omitted from the body of the major treaties were adjusted by an exchange of notes. The most important matters thus disposed of were the nonalienation of territory in Shantung to any foreign power; the extension of the lease of Port Arthur, Dairen, the South Manchuria Railway, and the Antung-Mukden Railway to ninety-nine years; the provision for Japanese advisers in South Manchuria; the settlement of the question of alienation of territory in Fukien; the granting of Japanese mining

concessions in South Manchuria; and the settlement concerning the Han Yeh Ping Company.

The notes with which we are herein most interested are those concerning the restoration and disposition of the leased territory of Kiaochow. Japan declared that, after the termination of the Great War, should the territory be left to the free disposal of Japan, she would restore it to China upon certain conditions. The entire bay was to be opened as a free port. A concession under the exclusive jurisdiction of Japan was to be established at a place designated by the Japanese government, and, if the foreign powers desired, an international concession should also be established. Incidentally, the Japanese concession embraced the business district and the best portion of the waterfront of Tsingtau and the portion set aside for the international concession was almost exclusively residential. Further negotiations between China and Japan were to be opened concerning the disposal of German buildings and property. Thus we have the status of Kiaochow and Tsingtau as established in the hands of Japan until the close of the war.

During the entire period of negotiation the Chinese were desirous that the United States should be informed of the facts of the situation, although they did not expect material assistance. The Japanese made every effort to discourage them by reports that the United States would not protest against any action taken by Japan, that the American people had no interest in China, and that the United States would not be able to help them should she desire to do so. The Japanese attitude towards the United States at the time, as

indicated by the writings and the speeches of individuals, was influenced by the foreign policies of President Wilson. To quote one such, although presumably not reflecting the opinion of well-informed or intelligent Japanese, the following assertion appeared :

> "The United States is a nation anxious for peace at any price ; she is a woman's country, and women love peace."

This writer seems to have considered the United States both unwilling and unable to fight, but it is hoped that the history of the American participation in the Great War after 1917 may have modified his views.

The position of the United States minister in Peking was rendered exceedingly difficult, as instructions were slow in coming. To judge from the remarks of Mr. Walter Hines Page, the United States ambassador to Great Britain during this period, the diplomatic service generally was handicapped in a similar respect. Mr. Page has written:[1]

> "Now the Department of State seems to be utterly chaotic — silent when it ought to respond, loquacious when it ought to be silent. . . . I see nothing to do but to suggest to the president to put somebody in the Department who will stay there and give intelligent attention to diplomatic telegrams and letters — some assistant or clerk. . . . The whole thing is disorganizing and demoralizing beyond description."

This indictment is substantiated by the statement of Dr. Reinsch:[2]

> "I had to be particularly careful not to express my own judgment as to what our course of action should be, in order not to arouse any hopes among the Chinese as to what my government would do. Instructions had been slow in coming."

[1] Hendrick, B. J., *Life and Letters of Walter H. Page*, New York, 1922, Vol. II, pp. 225, 226.

[2] Reinsch, P. S., *An American Diplomat in China*, New York, 1922, p. 144.

The government of the United States did protest to the Japanese government against special reference to any one nation in Fukien province and expressed approval of China's withholding such concessions from all powers. It is probable that this position of the United States influenced the significant change in the wording of that section of Group IV of the Twenty-One Demands, omitting the phrase "to a third power" and substituting a provision applying alike to all foreign nations, including Japan.

On May 6, 1915, the Department of State cabled to the Chinese and Japanese governments counseling patience and mutual forbearance, indicating that the United States government at last had awakened to a realization of what was taking place in Peking and Tokyo. This mild gesture, however, failed to deter the Japanese minister in Peking from presenting the ultimatum the following day. Having been unsuccessful in postponing or preventing the delivery of the ultimatum, the United States government next dispatched identical notes to the governments of China and Japan under date of May 11, 1915, reasserting the principles of equal opportunity for the trade and commerce of all nations and reserving all American rights which might be affected by the demands. The contents of the notes were published in Peking newspapers on May 24, and were openly branded by the Japanese spokesmen as merely another machination to cause political friction and to misrepresent Japanese designs in China.

Let us now inquire into the effect of these demands upon Japan's potent ally, Great Britain. Sir Edward

Grey, British secretary of state for foreign affairs, was interpellated in the House of Commons, March 2, 1915, concerning the nature of the Japanese proposals. He replied that the Japanese government had informed the British government of all demands presented to China, but that he could not then discuss them nor the grounds upon which China refused to meet certain items.[1] He did, however, definitely deny that Japan had demanded that if China employed foreigners as controlling advisers in national police, military, or financial administration Japanese should have the preference, and that foreigners, except Japanese, should be excluded from future railroad, mining, and dock-building concessions unless Japanese consent were first secured. If we turn to Group II, Article 5, and to Group V, Article 1, we shall see to what extent the foreign minister was in error. Presumably he spoke, believing in the accuracy of his information, with no deliberate intention of misleading the British Parliament and people. This seems to indicate that Japan did not inform her ally, Great Britain, of the true content of the demands.

On the ninth of March, Sir Edward Grey again was questioned in Parliament on the subject and stated that Japan had furnished his government with the text of the demands and that there was no reason to believe that the text received differed from that handed to China.[2] No formal representations had been received from any foreign governments on this subject, he said, although one or two (unnamed) powers had

[1] Great Britain, *House of Commons' Debates*, March 2, 1915.
[2] *Id.*, March 9, 1925.

presented informal communications. In those cases the correspondence had been confidential. In closing, Sir Edward Grey declined to state whether or not the demands constituted an infringement upon the integrity of China. It is to be surmised that he knew full well that they were such an infringement but felt that his government was not in a position to act effectively even should it desire to champion China's rights.

Although the British foreign minister was satisfied that the obligations of the treaty of alliance of 1911 would be strictly observed by Japan, the opinion of the opposition in Parliament differed. Mr. Molteno expressed this view, declaring that the Twenty-One Demands clearly violated that treaty.[1]

Mr. Primrose, undersecretary of state for foreign affairs, divided the Japanese demands into two categories: (1) an attempt on the part of the Japanese government to adjust outstanding questions with China; and (2) an attempt by Japan to ascertain the reaction of the government of China should certain proposals be advanced at the close of the Great War. Mr. Primrose declared that Great Britain had no objection to the expansion of Japanese interests in China, provided British interests were not adversely affected.[2] In this frank statement of policy one can discern an exposé of the attitude of Great Britain towards the "open door" principle. So long as British interests were protected, that government was unconcerned as to the preservation of equal opportunity

[1] Great Britain, *House of Commons' Debates*, March 11, 1915.
[2] *Ibid.*

for other nations. It seemingly was likewise undisturbed by the Japanese infringement of the administrative if not actual territorial integrity of the Chinese Republic, although many protestations of adherence to that supplementary policy to the "open door" had been made.

Upon the spread of the news of the presentation of the Japanese ultimatum, May 7, 1915, Sir Edward Grey again was faced by interpellation in the House of Commons.[1] He parried by stating that neither the ultimatum nor the threat of its enforcement by arms by Japan were contrary to the provisions of the Anglo-Japanese Alliance of 1911 providing for the maintenance of the independence of China and of equality of economic opportunity. He further stated that no assurance had been asked for by or given to China that Great Britain continued to adhere to those principles.

Parliamentary debate also disclosed the fact that the Japanese government declined to accede to the proposal by China that the Tsingtau customs administration should be manned by an Anglo-Japanese staff.[2]

It has been stated by different writers and observers that Japan wished to establish an Asiatic Monroe Doctrine in which she would undertake the responsibilities of protector of weaker Asiatic states. An analogy has been drawn between the refusal of the United States to permit foreign intervention in Central and South America and adjacent islands and Japan's

[1] Great Britain, *House of Commons' Debates*, May 13, 1915.
[2] *Id.*, July 7, 1915.

desire to stand between China and Western powers. This general view was held by many prominent Japanese and is outlined by Mr. K. Yoshizawa, counselor of the Japanese Legation in Peking: [1]

> "There are only two world powers now [1917] which can give attention to China in any appreciable degree. They are Japan and the United States. . . . But Japan, for geographical reasons and because of her political and other relations in the past, is in a more convenient position than America to assist China. The responsibility of Japan, therefore, is very great. Japan should treat China as if she were Japan's own relative. This task requires a great deal of patience on the part of Japan. Japan must care for China as a mother cares for her child. It is my idea that we should be patient with China. If she listens to our friendly suggestions, she should be encouraged; if she does not, she should be chastised as a father punishes a wayward son. I expect to assist Baron Hayashi, my chief in Peking, with that policy in mind."

Viscount Ishii, during his visit to the United States in 1917, drew a distinction between the Monroe Doctrine and Japan's attitude towards China. He declared that in the former the United States made no engagement or promise, while in the latter Japan voluntarily announced her intention not to violate the political or territorial integrity of her neighbor and to observe the principle of the "open door" and equal opportunity, asking at the same time that other nations respect these principles.[2]

It is most interesting to read his comparisons, implying that Japan has been more liberal in her attitude and promises towards China than has been the United States towards Central and South America. His statement may be literally correct, but it certainly

[1] *Japan Society Bulletin*, New York, April 30, 1917.
[2] Address, October 1, 1917, reported in the *New York Times*, October 2, 1917.

is not so in fact. The United States demands no concessions from its neighbors in the interests of nationals. It is true that instances can be cited in which American troops occupied Latin-American territory and continue to do so, either at the request of the governments thereof or to prevent European states from doing so to collect just debts. The United States is confronted with three choices of policy in connection with the Monroe Doctrine: (1) allowing any creditor nation to intervene with force in the American hemisphere; (2) not permitting any intervention, with the result of encouraging irresponsible governments to accumulate foreign debts without fear of being obliged to pay; or (3) intervene in behalf of foreign creditors, collecting sufficient money to pay them, and then withdraw without running the risk of continued foreign occupation. Obviously, the only fair policy is to reimburse the foreign bankers, and the third alternative has been selected as the present American interpretation of the Monroe Doctrine. It seems irrefutable that this program is superior to the older conception of the Doctrine under which the United States required Europe to refrain from interfering but accepted no definite responsibility itself. Japan has shown, during the period under review, no hesitancy in intervening in China, but withdrawal was not so spontaneous. Without doubt the Japanese government felt justified in supporting a Monroe Doctrine for Asia, but it should not be compared in nature with the original.

In the summer of 1916 two treaties were concluded by Japan and Russia, the first of which was published after being communicated to the British government.

The avowed purpose of this treaty of July 3, 1916, was to maintain a lasting peace in the Far East. No specific mention was made of China. The second treaty was revealed by the Bolsheviki late in 1917,[1] after the overthrow of the czar régime. It was concerned not with peace but with the interests of the two contracting parties in China. Military measures were provided to protect mutual "vital interests" and to safeguard China against political domination by any third power having hostile designs against either of the signatory powers. The last of the six articles of this pact provided that the "present convention shall be kept in complete secrecy from everybody except the two high contracting parties."

Premier Okuma again declared in July, 1916, that Japan had no ambition for Chinese territory, but that she annexed Korea and leased the South Manchuria Railway zones as a protection to Japanese existence.[2] The Okuma Ministry fell in October, 1916, charged by Baron Goto and his followers with pursuing a domineering policy in China. Count Terauchi then formed a cabinet whose objective was proclaimed to be the establishment of better relations with China. Although temporary improvement in the attitude of Japan towards China was observed, no material changes took place. It is significant, however, that there was evidence of a growing feeling among an increasing number of the Japanese people that the correct and more profitable policy was conciliation and forbearance towards China rather than aggression and pressure.

[1] *London Times*, December 24, 1917.
[2] *Current History Magazine*, August, 1916, p. 792.

The new Russian government also published reports of conversations between Viscount Motono, former Japanese ambassador to Petrograd, and in 1917 minister of foreign affairs in Tokyo, and M. Krupensky, the Russian ambassador to Japan. M. Krupensky reported to Petrograd, February 8, 1917, a conversation with Viscount Motono in which he urged Japan to join the Allied Powers in persuading China to join in the Great War. The Japanese foreign minister was not very enthusiastic, as Japan had vetoed two similar proposals; but he promised to sound Peking on the subject. His objections were due to visualizing China as a participant in the peace negotiations on an equal footing with Japan which would seriously disrupt Japan's plans for the disposition of German territories in Asia and in the Pacific Ocean. Resultant negotiations instituted by Japan produced a series of notes exchanged with Great Britain, France, Russia, and Italy.

Sir Conyngham Greene, British ambassador to Japan, addressed a note to Viscount Motono, February 16, 1917, in confirmation of previous conversations in which appeared the following paragraph:[1]

> "His Majesty's government accedes with pleasure to the request of the Japanese government for an assurance that they will support Japan's claims in regard to the disposal of Germany's rights in Shantung and possessions in islands north of equator on the occasion of the Peace Conference, it being understood that the Japanese government will, in eventual peace settlement, treat in the same spirit Great Britain's claims to German islands south of equator."

[1] Millard, T. F., *Conflict of Policies in Asia*, New York, 1924, p. 58.

The Japanese Foreign Office replied on February 21, 1917, expressing its deep appreciation of the fresh proof of the close ties uniting the two Allied Powers and agreeing to reciprocal support at the coming conference :

> "The Japanese government, on its part, is fully prepared to support in the same spirit the claims which may be put forward at the Peace Conference by His Britannic Majesty's government in regard to German possessions in islands south of equator."

After securing British approval and support of her plans, Japan approached the French and Russian governments. In as much as pre-conference arrangements for the disposition of Constantinople and of the Bosporus and the Dardanelles had been made by interested powers, the Japanese government believed that the time had come to solidify its claims in the Far East. Accordingly, Japan notified France and Russia of her intention to demand from Germany the surrender of territorial rights and special interests in Shantung and in the North Pacific Islands. Therefore

> "the imperial government [of Japan] ventures to hope that the government of the French Republic [of Russia], in view of the legitimacy of these claims, will give the assurance that, whenever the case arises, the imperial government may count upon its full support on this question."

The French government gave the desired assurance, supplemented by the suggestion that Japan lend a hand in persuading China to break off diplomatic relations with Germany, to compel German nationals to leave Chinese territory, to intern German ships which sought refuge in Chinese ports, and to cancel

the rights of Germany in concessions possessed in certain places throughout China. Japan was quite willing to agree to do this upon being satisfied that China's possible entrance into the war would not injure Japanese aspirations. The Russian Embassy notified Viscount Motono on March 5, 1917, that Japan could

> "entirely count on the support of the imperial government of Russia with regard to its desiderata concerning the eventual surrender to Japan of the rights belonging to Germany in Shantung and of the German islands, occupied by the Japanese forces, in the Pacific Ocean to the north of the equator."

On March 23, 1917, the note stating what Japan intended to demand at the conclusion of the war was addressed to Italy, the only remaining belligerent power of first rank. "In view of the present phase of events" the Japanese government desired to secure advance promises of support from all the principal powers then engaged in the war.

> "In bringing to the knowledge of the royal government of Italy as very confidential information that an arrangement has recently been entered into between the imperial government of one part and the British, French, and Russian governments of the other part, . . . the imperial government has the firmest conviction that the royal government of Italy, being inspired by the sentiments of friendship which animate the two countries, and considering the necessity of mutual assistance for the triumph of the common cause in the present war, will be good enough to welcome with satisfaction the conclusion of the . . . agreement."

Being herself desirous of general support in realizing the benefits at the expense of Austria-Hungary as agreed in the secret treaty of London in 1915, Italy registered no objection to Japan's plans.

Here we have the pernicious secret understandings concluded on the eve of America's entrance into the war, following our severance of diplomatic relations with Germany and our invitation to China to follow our example. Without doubt it was this "present phase of events" which impelled Japan to move quickly to secure her aims before the United States and China could have a voice. Furthermore, the United States was not informed thereof even after its declaration of war and after the Balfour mission allegedly gave President Wilson full information concerning Allied commitments. According to the statement of Secretary of State Lansing:[1]

> "Under date of February 26 [1919] they were transmitted to the Department of State by the American Peace Commission, and the department has no record or any knowledge of the treaties prior to that time."

On the other hand, the British foreign minister declared in Parliament on March 4, 1918, that the president of the United States was kept fully informed of all treaties, secret or public, to which Great Britain was a party.[2]

However, all obstacles to China's being permitted to enroll herself among the Allies had been removed by the exchanges of notes between Japan and Great Britain, France, and Russia. In the meantime, circumstances had developed a desire in Chinese official circles to take some drastic action towards Germany. On February 8, 1917, four days after Dr. Reinsch had

[1] United States Senate, Committee on Foreign Relations, *Hearing on the Treaty of Peace*, August 11, 1919.
[2] Great Britain, *House of Commons' Debates*, March 4, 1918.

requested China to follow American example by discontinuing diplomatic relations with the German Empire, the Peking government addressed a formal protest to Berlin. On the same day the Japanese Foreign Office was urging the Russian ambassador in Tokyo to secure his government's approval of Japan's inheritance of Tsingtau and the German islands in the North Pacific.[1] Shortly thereafter, the French steamer *Atlas*, with seven hundred Chinese coolies aboard, bound for the Western battle front, was torpedoed and sunk in the Mediterranean Sea. The Chinese Parliament, incensed at this continued disregard of China's protest, authorized the government to break off diplomatic relations. Although the German government dispatched a formal reply to the Chinese protest on March 10, the German minister and his staff were handed ther passports and the Legation of the Netherlands assumed charge of German interests in China.

During the spring of 1917 rumors of a military alliance between China and Japan were being circulated, causing much unrest and popular dissatisfaction in China. The first specific mention of the proposed alliance appeared in the *Peking Gazette*, May 18, 1917, edited by Mr. Eugene Chen, who was known to be violently anti-Japanese in sentment. In a leading article headed "Selling China" it was asserted that Premier Tuan Chi-jui contemplated an understanding with Japan embracing practically all the concessions formerly demanded in the famed Group V.

[1] Reinsch, P. S., *An American Diplomat in China*, New York, 1922, p. 253.

Mr. Chen was promptly arrested and imprisoned by the Peking police, the newspaper was suppressed, and its property was confiscated. Mr. Chen later was pardoned and made his escape from Peking. The much-feared alliance did not materialize until early in 1918.

In June, 1917, the government of the United States presented a note to the Chinese government expressing hope for an early settlement of dissension in China. This gave rise to expression of opinion in Japan that the United States should not present notes to China without first recognizing Japan's special position in China by consulting the Japanese government. That Japan should expect one sovereign state to consult her and secure permission before addressing communications to another sovereign state, was extraordinary and occasioned widespread surprise.

On August 14, 1917, China declared war upon Germany and Austria-Hungary. This step deprived the nationals of the Central Powers of extraterritorial rights and revoked concessions in Hankow and Tientsin. In as much as these concessions were in the same locality with concessions still retained by Japan, Great Britain, France, and Russia, the problem of their disposition arose, and tentative arrangements were devised to bridge the war period.

Japanese pretensions to special interests in China were constantly confronted by the refusal of the American government to acknowledge their existence. This situation embarrassed the Japanese government in its relations with China, and it was decided to try to reach some definitive understanding with the United

States on this point. Viscount Ishii was dispatched to the United States in the autumn of 1917, charged with the delicate mission of securing recognition of Japan's views. In an address in New York City, September 29, 1917, Viscount Ishii declared that Japan merely wished to establish good government, peace, and security in China so as to promote the development of opportunity there. He claimed that circumstances for which his government was in no way responsible gave Japan certain rights in Chinese territory, but that at no time had she or would she desire to take territory from China or despoil her of her rights. Furthermore, it was Japan's intention to maintain and defend the integrity and the independence of China against any aggressor. Two days later, in an address to New York press representatives, he stated that he had had no reference to a Monroe Doctrine for Asia, as there was a fundamental difference between that policy and Japan's attitude towards China. Mr. Ishii explained that, whereas the United States made no promises to the American republics, Japan voluntarily agreed not to violate the political or territorial integrity of her neighbor and to observe the principle of the "open door" and equal opportunity.

In Washington, Viscount Ishii had several interviews with Secretary of State Lansing. Of course the discussions centered about Japan's claim to a privileged position in China. In order to accomplish the purpose of the mission it was necessary that the United States be maneuvered into the position of recognizing Japan's special interest. Mr. Lansing apparently was suspicious and wary of that phrase and declared that if it

were to be construed as meaning "paramount interest" he would not discuss the point further.

Viscount Ishii made no direct reply to the objection raised, but Mr. Lansing assumed that because the discussion was continued Japan would accept the restricted construction. The Japanese Foreign Office was kept fully informed of the progress of the conversations. In talking with the Russian ambassador in Tokyo at the time, Viscount Motono implied that he was conscious of the possibility of future misunderstandings concerning the phrase "special interests," but that Japan would be better able to enforce her interpretations than would the United States. Nevertheless, Mr. Lansing concluded the Lansing-Ishii Agreement, November 2, 1917,[1] without securing from the Japanese government any definite acknowledgment of acceptance of the restricted interpretation of "special interest."

This agreement, recognizing Japan's special interest in China, was concluded without the knowledge of the American minister to China, who first learned of the negotiations through Baron Hayashi, Japanese ambassador to China, November 4, 1917. And of course Mr. Lansing was unaware of the secret agreements concluded early in 1917 concerning Tsingtau and the German islands. The negotiators agreed, upon the request of Viscount Ishii, not to promulgate the agreement until November 5, 1917, four days after signing. But Baron Hayashi was able to inform the Waichiaopu on the fourth, and the British, French, Russian, and Italian

[1] For text, see Appendix XI.

diplomats in Tokyo also were notified before the date agreed upon for publication. Furthermore, the news was circulated throughout the United States from Pacific cable reports before its release by the Department of State. All these facts confirm the feeling of double-dealing and insincerity on the part of Japan.

The Chinese were given the impression that Japan had gained a great diplomatic victory, as indeed she had. Japan's contention was declared to be sustained by the United States. Newspapers in Japan, believed to have been inspired, broadcast the news that the United States government had specifically recognized Japan's special interest and position in China in precisely the construction which Mr. Lansing had opposed. The British press was practically universal in commendation of the declaration of principle by the United States and Japan. Chinese newspapers were divided. The Chinese minister to Japan presented a formal protest, November 8, 1917, registering objection to Japan's having acted on a Chinese problem without consulting the government of China, but, as usual, no weight was attached thereto.

In the Lansing-Ishii agreement it will be seen that the United States expresses confidence that Japan has no desire "to disregard the commercial rights heretofore granted by China in treaties with other powers." The word "heretofore" may be entirely harmless; but it appears to discriminate between treaties already made and those which might thereafter be made. If it has no such meaning it is superfluous.

Coincident with the successful diplomatic bout with the United States, an important change was made

within the administration of Tsingtau. During the first three years of Japanese occupation military officials of the Tsingtau garrison had exercised control throughout the former German-leased territory of Kiaochow and along the line of the Shantung Railway to Tsinanfu. With the resumption of peace-time activities commerce had sprung up, the harbor became busy, the railway became an important factor in transporting domestic products and raw materials to the seaboard and imported goods inland in exchange. The Japanese government decided that the progress of the region would be enhanced by the institution of a form of civil administration to replace the military government.

In September, 1917, Dr. Masanosuke Akiyama was sent to Tsingtau as civil governor attached to the staff of the commander of the Tsingtau garrison. It will be seen that there was no complete reversal of the former policy of military control. The civil administration was organized merely as a department of the garrison charged with supervision of civil affairs but subject to military direction. The selection of Dr. Akiyama proved to be particularly fortunate. He succeeded in softening the pressure of the military government and n promulgating a large number of needed improvements. The capacity of the electric power and light plant was tripled during this administration. The railway equipment and service was augmented. The harbor was mproved. The civil governor was able to win the support and coöperation of many Chinese and foreigners in his efforts to an extent unprecedented in Japanese administration.

He devoted himself wholeheartedly to his task and made himself an authority upon the Tsingtau problem. In the autumn of 1921, when the Japanese delegates to the Washington Conference were preparing for their task, Dr. Akiyama was in consultation with them. Several meetings were held in the Gaimusho, attended by representatives of the Foreign Office, the War Department, and the Navy Department, at which the basis of the negotiations to be held in Washington were determined.

In the spring of 1922, Dr. Akiyama was again called into conference in Tokyo. It was desired to draft principles and details for the coming negotiations with China in pursuance with the agreement reached in Washington. Officials of the Foreign Office, the War Department, the Navy Department, the Department of Finance, and the Department of Commerce and Agriculture gathered in the Foreign Office, presided over by Dr. Akiyama. All shades of opinion were expressed and discussed, and the resultant decisions formed the basis of the subsequent negotiations in Peking. Dr. Akiyama sat as a member of the commission which worked out the details of the restoration in Peking.

During German times in Tsingtau the Japanese population numbered about four hundred, but with the capture of the territory in 1914 large numbers of Japanese arrived from Manchuria, Korea, and Japan. By 1917 the figure exceeded eighteen thousand, and at the time of the restoration a total of twenty-four thousand two hundred was reported for the city, including thirty-five hundred members of the

military garrison with their families. The withdrawal of the garrison directly affected the civilian population, many of whom were engaged in business with the soldiers and the officers, such as supplying clothing, food, and incidentals. Consequently, the removal of a large number of purchasers and consumers forced many of the tradesmen and others to depart also. By June 30, 1924, the Japanese population of Tsingtau had decreased to about fourteen thousand. No figures are available showing the number of Japanese residents throughout Shantung province, but it is reported that about two thousand remained in Tsinanfu in June, 1924. With about sixteen thousand Japanese in two of the largest cities of the province, it is improbable that more than four thousand are scattered in other communities, resulting in a probable total of twenty thousand Japanese in Shantung. Inasmuch as the post office estimate of the Chinese population of the province in 1922 was 30,803,145, it does not seem that the "Japanese menace" is very great. The Chinese population of Tsingtau was estimated at two hundred twenty thousand in 1924. Under German administration the foreign population of Tsingtau was about two thousand including Japanese, who then were classed along with other foreigners. The foreign population other than Japanese dwindled during subsequent years, until in 1924 it numbered only about four hundred.

One of the reasons most frequently given for Japanese expansion has been that Japan needs room for her rapidly increasing population. Granted that a country with surplus population needs an outlet, it is

difficult to accept this excuse for Japan's desire to acquire control of Shantung. It has been estimated that among the provinces of China Shantung ranks third in density of population. Kiangsu, with an estimated population of 34,000,000 and an area of 38,610 square miles, has a density of 875 persons per square mile. Chekiang ranks second with 22,000,000 people in 36,680 square miles, 601 per square mile. The area of Shantung is 55,984 square miles, which supports a population of almost 31,000,000, with a density of population of 552 per square mile. Granting the unsustainable hypothesis that a nation is justified in expanding into a neighboring state because of overflowing population, it yet is difficult to explain why Japan should have selected the third most populous province of China for the purpose. The high density of the population in Shantung is too much even for the industrious and frugal Chinese. Many emigrants go to Manchuria and Siberia and to more roomy portions of the Chinese Republic. Many others make annual journeys to Manchuria during the summer months to work on farms there, returning to their homes for the winter. Steamships carry thousands of such workers between Tsingtau and Dairen for eight dollars Mexican each; similar transportation is afforded from Chefoo and Weihaiwei.

Japanese activities in Shantung aroused resentment also because of the importance of the province in Chinese religious and philosophical tradition. Here developed much of China's earliest culture. T'ai Shan, or Great Mountain, is prominent in legend and lore.

Near the city of Taianfu, at the foot of T'ai Shan, about 551 B.C. Kung Fu-tse (Confucius) was born. Kung Fu-tse was buried at Küfow (Chüfou), south of T'ai Shan, his shrine being another place of pilgrimage.

In Shantung also originated the historic silk industry which made China famous in the days of Babylon. "Shantung silks" were and still are famous throughout the world. Wild silk is one of the largest articles of export, still being found abundantly in several parts of the province.

Shantung also possesses the largest coast line of any Chinese province. Fine harbors abound. The earliest of these to be opened to foreign commerce was Chefoo, famous for the beauty and safety of its land-locked anchorage and for its magnificent bathing beach. Kiaochow Bay is the finest natural harbor on the coast of China.

In the spring of 1918 the Sino-Japanese Military Alliance again came into the foreground in diplomatic circles. Fears were entertained by the Allies concerning the large number of German and Austrian prisoners of war being held in Siberia. It was known that the Russian forces in that region were insufficient to suppress an uprising should one occur, particularly since the Russian Revolution of 1917. An *Associated Press* dispatch from Harbin under date of February 20, 1918, reported an armed force of two thousand Germans drilling at Irkutsk. A suggestion for Allied intervention in Siberia was advanced, the thought being to suppress possible trouble before it gained headway. The murder of a Japanese merchant in Vladivostok, April 4, 1918, by five Russians, one

in the uniform of a Bolshevist soldier, precipitated action. British and Japanese naval forces were landed immediately to prevent further outrages and the question of continued occupation arose.

The United States government opposed the suggestion of an army of occupation, but European powers urged the necessity of preventing Germany from securing a foothold in Siberia. Japan and the United States were declared the only powers which were in a position to act efficiently and expeditiously, and it was agreed that each should detail seven thousand troops for the purpose. By some "misunderstanding" the Japanese force was found to number seventy thousand, whereas the American contingent was of the size agreed upon. China favored the plan of joint intervention and expressed a desire to participate because of her recent declaration of war upon Germany and because she had special interests at stake in Manchuria. In consequence, China and Japan concluded a defensive military agreement, March 25, 1918. Publication of the terms was withheld for almost a year, causing wild rumors and speculations. This agreement was formally signed on May 16, 1918, and was followed three days thereafter by a naval pact, neither being published until March 14, 1919.

The two governments prefaced their understanding by a recognition of the necessity of making joint arrangements for mutual defense against German aggression from the north. The scope of the pacts was therefore limited to that section only. The provisions were not to be invoked unless China or Japan were attacked by Germany and were canceled

automatically by the termination of the Great War. The reason for the nonpublication of the treaties was said to be the necessity for keeping the terms secret from the enemy. No sovereign rights were involved and Japan gained no additional privileges.

An exchange of notes by the Chinese minister to Japan and the Japanese foreign minister on September 24, 1918, respecting the prospective adjustment of differences in Shantung was not acceptable to China on the ground that the Waichiaopu had not been consulted. Consequently the Chinese Parliament declined to ratify the agreement. The outstanding provision of these notes was Article VI, wherein it was stipulated that "the Kiaochow-Tsinanfu Railway, after its ownership is definitely determined, is to be made a Sino-Japanese joint enterprise." This represents the last attempt made to settle the Tsingtau-Shantung controversy before the conclusion of the Great War.

The sudden collapse of the German arms on the western front, followed by the armistice on November 11, 1918, brought the actual hostilities to a close and cast up the prospect of an early international conference to distribute the spoils of war. To the hopeful Chinese that signified the recovery of Tsingtau. The extent to which their hopes were realized remains to be discussed.

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CHAPTER VII

CHINA AT VERSAILLES

CHAPTER VII

CHINA AT VERSAILLES

ONE of the motives which impelled the Chinese government to address a protest to the German government in March and to declare war, August 14, 1917, was a hope thus to secure a voice in peace negotiations at the end of the struggle and to be able to participate in the discussions of the disposition of Shantung. This hope was encouraged by President Wilson's announcement of a peace program in an address to the Congress of the United States, January 8, 1918, comprising the renowned Fourteen Points. In the fifth of these proposals he stated that "a free, open-minded, and absolutely impartial adjustment of all colonial claims, based upon a strict observance of the principle that in determining all such questions of sovereignty the interests of the populations concerned must have equal weight with the equitable claims of the government whose title is to be determined." Certainly China could reasonably expect that this declaration would apply to the German colony in Shantung as well as to German possessions in the Pacific Ocean and in Africa. Unaware of the secret commitments of 1917[1] whereby Japan had secured the support of the Allies then comprising the major nations fighting the Central Powers, the Chinese government felt even further strengthened in its position

[1] For texts, see Appendix X.

by German acceptance of President Wilson's program as a basis for an armistice concluded on November 11, 1918. Great Britain had made a reservation to the second point of the American proposal, relating to freedom of navigation outside territorial waters, and Italy had registered a reservation to the ninth point which proposed that "a readjustment of the frontiers of Italy should be effected along clearly recognized lines of nationality," but no power raised objections to the fifth or other points. Japan was not alone guilty of duplicity in Peking, however. On March 29, 1915, the British government consented to Russian annexation of Constantinople in exchange for Russian generosity towards England elsewhere, and their respective spheres of influence in Persia were enlarged.[1] As a condition of Italy's assistance, the Treaty of London was signed, April 26, 1915, promising Entente support to Italian claims in the Tyrol and along the eastern shores of the Adriatic Sea and agreeing to include Italy in whatever disposition was made of German colonies and Asiatic Turkey.[2] And despite these arrangements Mr. Bonar Law declared in the British House of Commons that "we are not fighting for additional territory"![3]

When twenty-seven states sent representatives to Paris in January, 1919, certain problems at once arose in which China was vitally concerned, particularly those of publicity, organization, and program. The first point of the universally accepted program of

[1] Cocks, F. S., *The Secret Treaties and Understandings*, London, 1918, p. 15.
[2] *Id.*, p. 27.
[3] Great Britain, *House of Commons' Debates*, February 20, 1917.

peace embodied in Wilson's Fourteen Points, "open covenants of peace, openly arrived at, after which there shall be no private international understandings of any kind, but diplomacy shall proceed always frankly and in the public view," would assure to China the most effective protection of her interests. Full publicity of everything connected with the Shantung question, free and open organization of the Conference, and a program of procedure generally agreed upon and rigidly and scrupulously followed was most desirable from the Chinese point of view. The first session of the Peace Conference was limited to twenty-two men, representing France, Great Britain, Italy, and the United States as the principal nations engaged in the war in Europe. Only a very brief indefinite statement was issued as follows :

> "After the meeting of the Supreme War Council authorized to study the necessary conditions for the renewal of the Armistice, the representatives of the powers took up the examination of the procedure and the methods to be followed in the conversations to settle the preliminaries of the peace."[1]

American press delegates at once protested to President Wilson, declaring that the public was entitled to know of the progress of negotiations as well as of the final settlements in order to function as contemplated in the Fourteen Points. President Wilson brought the matter to the attention of the Council, counting upon Mr. Lloyd George for support. The French group declared in favor of secret diplomacy with daily communiqués issued through a censored press, in which

[1] Council of Ten, *Secret Minutes*, January 12, 1919.

Italy concurred. Japan expressed no open opinion on the question, but her best interests would be served by secrecy. Mr. Lloyd George personally preferred the French plan, but his fear of the Opposition newspapers in his own country prevented him from taking sides. A compromise finally was effected whereby the plenary sessions of the Conference should be open to correspondents, but this served only to reduce such sessions to mere formality, the real discussions being reserved for smaller and private meetings.

The struggle for publicity having been lost, attention was centered upon the problem of organization. Each of the twenty-seven states wanted an equal share in the deliberations, but they had not taken equal shares in the prosecution of the war. The Supreme War Council had been organized by the principal powers in order to coördinate their respective efforts, and had resolved itself into a council to examine the "procedure and the methods to be followed in the conversations to settle the preliminaries of the peace," January 12. Although President Wilson had favored informal conversations among the principal powers, he also desired an organization of all the nations to prevent dictation by a minority of the states of the world. The outcome was another compromise creating the Council of Ten, to consist of two representatives each of France, Great Britain, Italy, Japan, and the United States, and to make all decisions, subject to approval by the plenary sessions of all the Allied and Associated Powers.[1] From time to time fifty-eight technical

[1] House, E. M., and Seymour, C., *What Really Happened at Paris*, New York, 1921, p. 21.

commissions of experts were appointed to study specific problems of an economic, ethnographic, strategic, and territorial nature. Small nations were admitted to membership in many instances, but the principal powers retained control. These commissions were supplemented by over twenty groups sent or organized on the spot to investigate actual conditions in disputed localities. This system introduced a new factor into diplomacy. Unbiased scientific reports were often accepted by the Council of Ten (and later the Council of Four) without discussion if there was unanimity concerning the recommendations. However, the experts often disagreed among themselves, and some of the persons appointed were not experts in any sense of the word, so that their decisions were not always approved. The most important problems of the peace, including the Shantung settlement, were never referred to such commissions. Settlement of these questions rested upon the basis of self-interest and not upon any altruistic conceptions of the wishes of the people involved. The first plenary session was held on January 18, when the plan of organization above-outlined was imposed upon the assembled states.

The third problem in which China was interested was that of a program. At the beginning of the Conference there was no agreement upon the order in which certain questions should be considered. The French government had given careful attention to this matter, having proposed a program shortly after the armistice was declared. France suggested that Great Britain, Italy, and the United States meet with her in a preliminary conference in Paris to agree upon

peace terms, territorial boundaries, distribution of German colonies, and the amount of indemnity. After reaching an agreement, the Peace Conference would be convened in which these four powers would dictate their terms, calling upon the smaller states only when their own interests were considered to be at stake. Then, finally, all the members of the Conference should join in declaring allegiance to certain great principles of justice, morals, and liberty, and in discussing the organization of some sort of society of nations.[1] President Wilson resolutely rejected this proposal and advanced his plan of procedure in which first place was occupied by the League of Nations, followed in order by reparation, the problem of new states, international boundaries, and lastly colonies. Of course this arrangement was exceedingly distasteful to the diplomats of the old order who preferred to proceed at once to the apportionment of the German colonies without interference by any new ideas of self-determination and a League of Nations. Accordingly, no set plan was adopted, each problem being met as it arose in the conversations. Thus, M. Clemenceau, as chairman of the Peace Conference, was in a position to control the subjects which might come up from time to time and to limit debate or adjourn meetings when he found it desirable to do so. Accordingly, no one not in the inner circle could know when any given topic was to be discussed even by the Council of Ten, and China was placed at the double disadvantage of not being a member of the Council

[1] Baker, R. S., *Woodrow Wilson and World Settlement*, New York, 1922, Vol. III, Document 7.

and of not knowing when some phase of the Shantung question might be brought up.

The decision of the Council of Ten to allow the League of Nations to become "an integral part of the general treaty of peace," as urged by President Wilson, was approved by the second plenary session of the Conference, January 25, with the provision that a special commission should be constituted to work out the details. The membership was set at nineteen, comprising two men from each of the five principal powers and nine delegates from small states.[1] The strategy of M. Clemenceau and Mr. Lloyd George in getting the troublesome League question diverted into a separate commission was met by President Wilson's appointment of himself as one of the American representatives and by his being chosen chairman of the League of Nations Commission. Also, by thus side-tracking the League, the Entente diplomats hoped to be able to settle the distribution of German colonies before the Commission could submit a report. This attempt was thwarted by President Wilson in an address on January 27 visualizing a mandate system administered by the League of Nations as trustee.

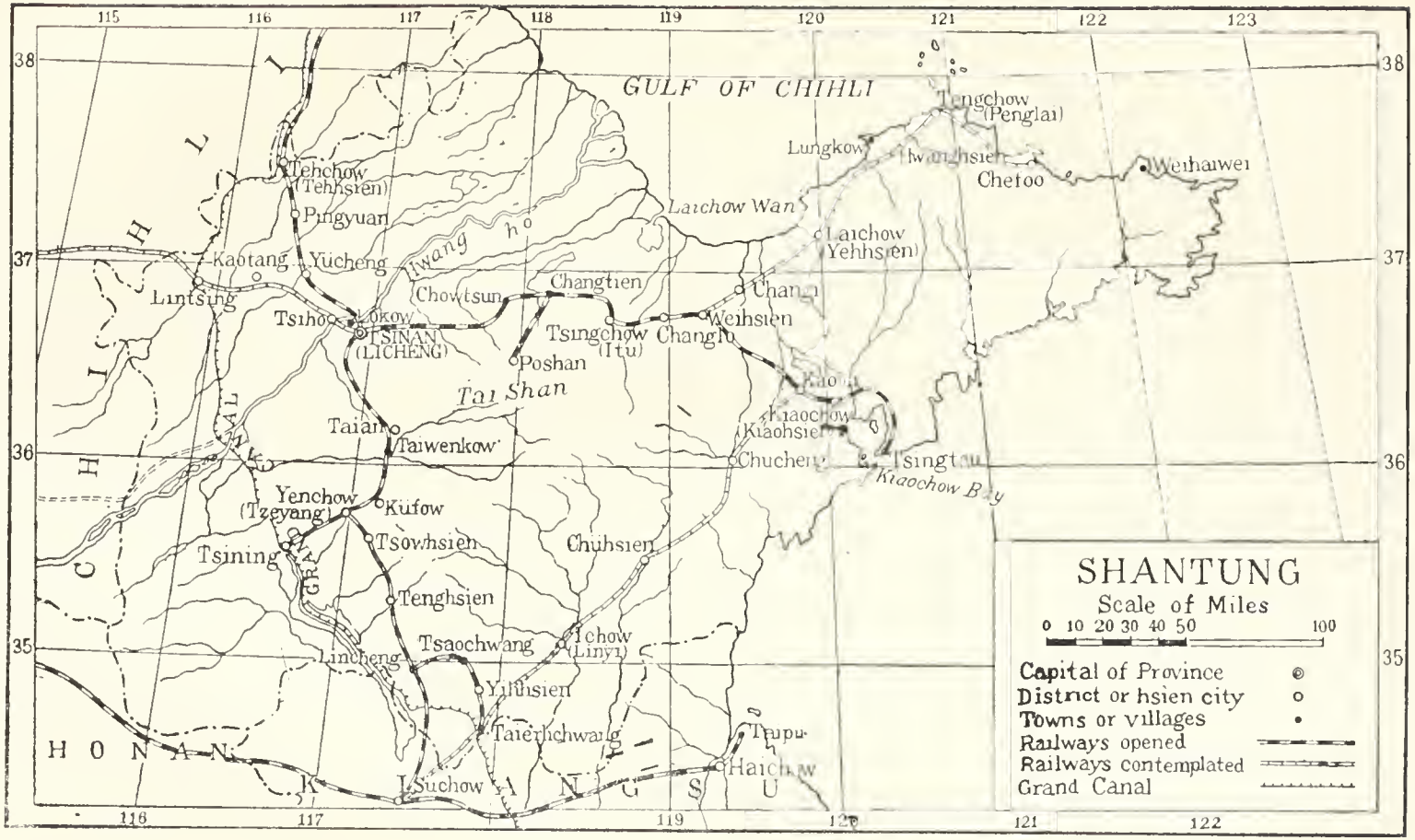
The Japanese government had only two main purposes at Paris, of which the satisfactory settlement of the Shantung question was foremost. The other purpose of demanding recognition of racial equality was evidenced by the persistent efforts to secure and maintain a position as a world power by seeking representation on the Council of Ten and on important

[1] Originally only Belgium, Brazil, China, Portugal, and Serbia were included.

commissions. Baron Makino had declared that Japan was sincerely desirous of coöperating with the great powers at Paris and in the proposed League of Nations; but his associate, Viscount Chinda, insisted upon Japan's right to deal alone with China. Coöperation was useful only when Japanese interests were advanced thereby, aptly illustrating what was perhaps the outstanding feature of Japanese diplomacy — unwillingness to reciprocate. Having only two important objects to realize, the Japanese delegation centered its attention thereon, taking little or no part in other discussions. The United States was the only power which was not bound to support Japan's territorial claims, and at the opening of the Conference the American delegation was strongly opposed to permitting their fulfillment.[1]

The colonial issue again arose in the Council of Ten, January 27, the occasion upon which Wilson had insisted upon mandates. Great Britain, through the medium of the Dominion Premiers, had laid claim to the German islands in the South Pacific and to German Southwest Africa, to which President Wilson responded by raising the question as to whether or not the mandatory principle should apply in the Pacific Ocean and suggesting that the Japanese and the Chinese delegates present their views on the matter. Baron Makino at once declared that he did not wish to discuss in the presence of the Chinese delegates Japanese claims on Germany, but the Council finally decided to invite the Chinese to attend a session that afternoon.

[1] Lansing, R., *The Peace Negotiations*, Boston, 1921, p. 253.


SHANTUNG
Scale of Miles
0 10 20 30 40 50 100
Capital of Province
District or hsien city
Towns or villages
Railways opened
Railways contemplated
Grand Canal
GULF OF CHIHLI
Tengchow (Penglai)
Lungkow
Chefoo
Weihaiwei
Laichow Wan
Laichow (Yehhsien)
Tehchow (Tehhsien)
Pingyuan
Kaotang
Yucheng
Lintsing
Tsihoo
Kokow
TSINAN (LICHENG)
Chowtsun
Changtien
Tsingchow (Itu)
Changlu
Weihsien
Poshan
Tai Shan
Taian
Taiwenkow
Kiaochow
Kiaohsien
Chuchen
Tsingtau
Kiaochow Bay
Yenchow (Tzeyang)
Kufow
Tsowhsien
Chuhsien
Tsining
Tenghsien
Tsaochwang
Ichow (Linyi)
Lincheng
Yihsien
Taierchwang
Tsupu
Haichow
Suchow
HONAN
CHIHLI
KIANGSU
Hwang ho
Grand Canal

The Chinese delegates were Messrs. Lu Tseng-hsiang, V. K. Wellington Koo, and C. T. Wang, and Japan was represented by Messrs. Makino, Matsui, and Saburi. The Japanese recounted the capture of Tsingtau and of the German Pacific islands, after "consultation with the British government conformably with the agreement of 1911" and asserted their claim to "the unconditional cession of the leased territory of Kiao-chow together with the railways and other rights possessed by Germany in respect of Shantung province" and "all of the islands in German possession in the Pacific Ocean north of the equator together with the rights and properties in connection therewith."[1] No mention was made of the proposed system of mandates or of Chinese rights in the matter of Shantung. The following day Dr. Koo spoke for China, the home of "one quarter of the human race," asking for the restoration of territory which had been wrested from her by force, including the railway and all other rights in Shantung possessed by Germany before the war. He drew attention to the particular importance of the province as the "Holy Land of the Chinese," where Confucius had lived and was buried, and to the fact that a region already overcrowded was ill adapted to foreign colonization. Baron Makino countered with the statement that Japan was in actual possession by right of conquest, but that it was necessary to secure German recognition thereof before Japan could transfer its holdings to a third party. President Wilson took occasion to remark that the Council was not

[1] Council of Ten, *Secret Minutes*, January 27, 1919.

prepared to admit that German consent was necessary and Dr. Koo declared that China's participation in the war had altered former arrangements whereby Japan was to " represent " her at the Peace Conference and that the proposed plan of transferring Tsingtau first to Japan for retransfer to China was unnecessary and undesirable.[1] This same day France demanded annexation of Cameroons and Togoland, and it became known that Italy and Belgium were interested in the partition of German East Africa. Even Portugal raised its voice for a share of the spoils ! Mr. Balfour and Mr. Lloyd George realized that some concessions must be made to the American position of opposition to such distribution of former German possessions if a deadlock was to be avoided. Accordingly, they declared in favor of the mandate principle and persuaded the Dominion delegates to consent to an ambiguous resolution disguising their policies of annexation, but Wilson insisted that no action on mandates could be taken until the League had been framed.

The presentation of China's case made a most favorable impression upon most of the peace delegates who had heard both sides. The Japanese themselves were so impressed that on the twenty-ninth of January one of their number called upon Mr. Lansing in an attempt to hold the United States responsible if Tsingtau were returned directly to China.[2] Mr. Obata, the newly appointed Japanese minister in Peking, called at the Waichiaopu, or Chinese Foreign Office, February 2, 1919, to express resentment at the attitude

[1] Council of Ten, *Secret Minutes*, January 28, 1919.
[2] Lansing, R., *The Peace Negotiations*, Boston, 1921, p. 253.

of the Chinese delegates at Paris who had offered to publish all secret agreements between China and Japan. As a result of a veiled threat, the Chinese government cabled orders to the Paris delegation not to expose the pacts, but later this prohibition was withdrawn and the matter was left entirely to the discretion of the delegates.

In order to expedite matters, the League of Nations Commission met ten times between February 3 and February 13, during which time the Covenant of the League of Nations was drafted, containing provisions for the disposal of the German colonies. On February 12 the question of preparing final military and naval terms to Germany arose in the Council of Ten. M. Clemenceau objected to any action which would facilitate Allied demobilization before the entire repressive peace program had been applied, but President Wilson and Mr. Balfour presented resolutions directing the drafting of such final terms in a preliminary treaty so that the huge armaments could be reduced or disbanded. This idea was accepted by the five powers after much deliberation, a committee of military experts to work out the details while President Wilson paid a visit to the United States.[1] When the American president left Paris, February 15, none of the other delegations was satisfied with the turn of events. France had failed to realize a military league or colonies. Great Britain had not secured desired territories. Japan was disappointed at the failure to rush through the division of Germany's oversea empire. Italy alone had as yet

[1] Council of Ten, *Secret Minutes*, February 12, 1919.

lost but little (in German East Africa), but the prospects of a satisfactory Adriatic settlement were dark.

One week after President Wilson's departure, Mr. Balfour, who had so cordially assisted in the adoption of the resolution of February 12, proposed that the Council take up at once the consideration of preliminary peace terms, including financial and economic adjustments, responsibility for breaches of international law, and German frontiers.[1] Alleging the need of haste to "take full advantage of the present situation in Germany," M. Pichon declared that the French government was of the same opinion as Mr. Balfour. Only Lord Milner supported President Wilson's idea of February 12. Premier Orlando had returned temporarily to Italy, leaving Mr. Lloyd George and M. Clemenceau as the only powerful figures present on this occasion. Baron Makino broke his customary silence to inquire whether the approximate future frontiers of Germany referred to in the resolution included the German colonies, to which Mr. Balfour replied that it was so intended. Mr. Matsui's question whether that would also include such rights as railways and mines in China which had been possessed by Germany was likewise answered in the affirmative.[2] This marked the beginning of the Shantung settlement during the absence of the strongest champion of China's case. It is somewhat surprising that Mr. Lansing, a friend of China, who had been present at all meetings of the Council of Ten, should not have perceived this undermining of the American position.

[1] Council of Ten, *Secret Minutes*, February 22, 1919.
[2] *Id.*, February 23, 1919.

Upon the return of Mr. Wilson to Paris, March 15, he learned of these developments and also of the Japanese clamor for recognition of racial equality. Baron Makino had introduced a proposal for insertion in the Covenant, declaring that "the equality of nations" was "a basic principle of the League of Nations."[1] In the League of Nations Commission, February 13, when this clause was suggested, Lord Robert Cecil at once took exception to it because it raised "extremely serious problems within the British Empire" and advised postponing any action on the subject. Prohibitory legislation directed against Indians in South Africa and Japanese in Australia and Canada would be involved, as would the case of Japanese in the United States. The Japanese ambassador in Washington had delivered to President Wilson, while he was in the United States, early in March a note urging full recognition of the principle of racial equality and anticipating "perpetual friction and discontent among nations and races" if existing discriminatory treatment were not abandoned. Japanese agitation on this subject was resumed early in April when Baron Makino again pleaded for some statement in the Covenant to maintain the principle, and again Cecil opposed it "although he was personally entirely in accord with the idea advanced by the Japanese delegation." Other nationalities rallied to the support of Japan, and Viscount Chinda demanded that the question be submitted to the Commission for a vote in order that the Japanese people might

[1] League of Nations Commission, *Minutes*, February 13, 1919.

know whether or not the principle of the equality of members of the League was recognized. President Wilson stated that "the equality of nations was a fundamental principle of the League of Nations" and that "it would perhaps be wise not to insert such a provision in the preamble." Nevertheless, the matter was submitted to a vote in which approximately two thirds of the members of the Commission favored insertion, but Wilson as chairman declared that "the amendment was not adopted in as much as it had not received the unanimous approval of the Commission."[1] In international conferences unanimity is required, as no state can be bound by measures of which it disapproves.

Shortly after President Wilson's return to France, a new approach to the dispatch of the business of the Peace Conference was instituted. The four heads of states, Clemenceau, Lloyd George, Orlando, and Wilson, met secretly in Lloyd George's apartment, March 20, 1919, to attack the thorny problem of the disposition of the Turkish Empire. No mention of this meeting was made in the Council of Ten. Wilson suggested the appointment of a committee of inquiry to proceed to Turkey in Asia Minor to investigate facts and to report to the Conference. Both Mr. Lloyd George and M. Clemenceau "adhered in principle" to the idea, but only the American members of the committee ever were selected and submitted a report, which was not published. Six weeks were spent in its compilation, but it was not used in the Paris

[1] League of Nations Commission, *Minutes*, April 11, 1919.

settlements, as its recommendations did not fit in with the intentions of the European powers. Attended only by the "Big Four" and a few confidential secretaries, these meetings became regular occurrences, usually held in President Wilson's quarters. In order to eliminate the unwieldy discussions and procedure of the Council of Ten, hopelessly entangled in controversies over French militaristic designs, the decisions of the Conference began to emanate from the Council of Four, and on March 25 the meetings of the former body were discontinued as superfluous. The deliberations of the Four were kept in absolute secrecy, not even their associates being informed of what was taking place.[1] The first public statement of the Council of Four was given out on April 14, proposing to invite German plenipotentiaries to come to Versailles on the twenty-fifth.[2]

A council of foreign ministers, sometimes referred to as the Council of Five, in which Japan was represented, was also formed, but its activities were subordinated to the Council of Four.[3] In this Council Mr. Lansing proposed that all German rights in China be ceded to the Allied and Associated Powers for subsequent disposition, but Japan refused to abandon her contention for the absolute right to acquire German rights and territory in Shantung.[4] Great Britain had suggested transfer to the League of Nations under the mandatory system, disregarding the essential

[1] No formal minutes of the Council of Four were kept until April 19, 1919.
[2] Baker, R. S., *op. cit.*, Vol. II, p. 76.
[3] Lansing, R., *The Big Four of the Peace Conference*, Boston, 1921, p. 4.
[4] Council of Foreign Ministers, *Minutes*, April 15, 1919.

difference in condition between the Chinese province and German colonies among the uncultured inhabitants of Africa or the South Seas.

During the last two weeks of April the Shantung controversy was forced to a settlement. On the morning of April 21 Baron Makino and Viscount Chinda called first upon President Wilson and then upon Mr. Lansing. Mr. Wilson advocated the acceptance of Mr. Lansing's proposal of April 15 and stated that in the case of German islands the United States was particularly interested in Yap because of cable intersections there. Accordingly, why not internationalize the control of Tsingtau and Yap? Spheres of influence in China also were not in line with American policy or with "the interest of the world." Being unsuccessful in swinging Mr. Wilson to their point of view, the Japanese turned to Mr. Lansing, who told them that they had not proved the justice of their claims and that he doubted their ability to do so.[1] The same afternoon President Wilson communicated the substance of his interview with the Japanese to the Council of Four, but no important conclusions were reached.[2] However, the Japanese delegates were invited to attend the meeting of the Council of Four on April 22, when Chinda announced that his colleagues and himself were under strict instructions not to sign the treaty unless the Shantung question was settled. Baron Makino reviewed the claims of Japan and declared that the Sino-Japanese treaties of 1915 and 1918 were not affected by China's entrance into the war. Following

[1] Lansing, R., *The Peace Negotiations*, Boston, 1921, p. 254.
[2] Council of Four, *Secret Minutes*, April 21, 1919.

his remarks, Baron Makino distributed copies of proposed treaty provisions. At this juncture the secret agreements of 1917 between Japan and France, Great Britain and Italy, were produced, Mr. Lloyd George acknowledging that his government was bound thereby to support Japan's claims in return for Japanese support of British claims to the islands of the South Pacific. To the British proposal to extend the mandate principle to Shantung, Chinda asserted that his country "had a duty to perform to China in this matter and they could not carry out their obligation to China unless Kiaochow was handed over to them." Wilson inquired as to the exact meaning of promises of restoration which were "not very explicit" and about the economic importance of the province, but the Japanese replies were filled with protestations of good intentions and not with exact statements of purpose. After the departure of the Japanese, the Council of Four received the Chinese delegates despite the objections of Japan; in the course of the interview Mr. Lloyd George confessed his complete ignorance of the Twenty-One Demands.[1] Dr. Koo outlined the Chinese view of the Demands and the treaties of 1915 and appealed for justice at the hands of the Conference, to which Mr. Lloyd George responded that in the interests of the same justice he could not renounce a solemn engagement with Japan which had been contracted at a time when the support of that country was urgently needed. Treaties must not be regarded as "mere scraps of paper to be turned down when they were not wanted."

[1] Council of Four, *Secret Minutes*, April 22, 1919.

The Fiume question reached a crucial stage at this time. President Wilson had opposed Italian Adriatic claims as guaranteed by the Treaty of London, although he was willing to make some minor concessions which were insufficient from the Italian point of view. The outcome of the situation which was thus created was President Wilson's famous public appeal to the people of Italy to support his efforts to preserve the intent of the ninth point in his peace program declaring for a readjustment of the frontiers of Italy along clearly recognizable lines of nationality.[1] There was nothing new in the appeal; nothing that President Wilson had not advocated persistently throughout the negotiations. Premier Orlando resolved to counteract the effect of this pronouncement by withdrawing the Italian delegation to Rome and Wilson encouraged him in his plan in the belief that the issue thus would be placed squarely before the people of Italy. The Italians departed on April 24, the day after the publication of President Wilson's appeal, leaving a Council of Three to control the Conference, to which Marquis Saionji, the senior member of the Japanese delegation, directed a communication insisting upon early settlement of the Shantung question. Accordingly, the remaining "Big Three" reopened discussion thereon, April 25, based on Marquis Saionji's note and upon a new plan advanced by the Chinese. This plan followed the lines of Mr. Lansing's proposal of April 15 in the Council of Foreign Ministers with additional provisions obligating China to open Kiaochow Bay to world

[1] Baker, R. S., *op. cit.*, Vol. III, Document 37.

commerce and to compensate Japan for the costs of capturing Tsingtau upon the withdrawal of Japanese forces within one year. M. Clemenceau and Mr. Lloyd George again made it clear that they felt compelled to abide by the 1917 commitments with Japan, whereupon Mr. Wilson again suggested that all the powers avail themselves of Japan's professed willingness to discuss withdrawal of all foreign holdings in China. Mr. Lloyd George promptly rejected this thought with the statement, "We could not allow other nations to coöperate in the Yangtze-kiang since we had not sufficient capital ourselves for development. The reason we could not do so was because we should have to allow the Japanese in."[1] President Wilson conferred with the American delegation on April 26 and requested Mr. Lansing to interview the Japanese delegates in an attempt to dissuade them from pressing their demands and to induce them to consider an international trusteeship. Chinda repeated his assertion of the twenty-second that his colleagues could not sign the treaty unless German rights were transferred to Japan, and Mr. Lansing communicated the unsatisfactory outcome of the conversation to President Wilson on the morning of April 28.[2]

At the fifth plenary session of the Conference held in the afternoon of April 28, 1919, the revised text of the Covenant of the League of Nations was adopted, the Japanese abandoning their claim for the insertion of an amendment on racial equality. This act on the part of Japan might be interpreted as indicating

[1] Council of Four, *Secret Minutes*, April 25, 1919.
[2] Lansing, R., *The Peace Negotiations*, Boston, 1921, p. 255.

that between the time of the receipt by President Wilson of Mr. Lansing's message and the opening of the plenary session the Japanese delegation received assurance of a satisfactory settlement of the Shantung controversy. Both President Wilson and Mr. House, of the American delegation, were convinced that Japan would not enter the League if she did not get what she wanted. The defection of Italy had made it probable that the Italian government would not accept membership, and Mr. Wilson felt that he could not risk losing another powerful prospective subscriber. Feeling absolute confidence in the ability of the League to correct whatever mistakes might be committed by the Conference and being positive that the Japanese were not bluffing but meant what they said, President Wilson apparently decided that the only choice lay between causing Japan to retire from the Conference and conceding her claims subject to such limitations as might be possible to impose.

The American commissioners other than Mr. Wilson held daily meetings attended by Mr. Lansing, Mr. House, Mr. White, and General Bliss. These men conferred after the plenary session on April 28 and decided to inform Mr. Wilson of their firm opposition to the Japanese demands. General Bliss composed a letter setting forth their views and forwarded it to President Wilson the following morning.[1] Meanwhile, late in the afternoon of the twenty-eighth, the Council of Three approached the problem from the point of view of whether Japan would retain merely economic

[1] For text, see Appendix XII.

concessions in Shantung. President Wilson said that if Japan would relinquish all sovereign rights in returning the territory to China the Chinese people and government would benefit more than under German occupation, but that his experts[1] did not believe that such was Japan's intention. Mr. Balfour, for Great Britain, expressed the opinion that these experts had not weighed the Japanese side of the case sufficiently and that the present government of Japan was more liberal than the one which had made the treaties of 1915.[2] The discussion was carried over to the next meeting, April 29, at which Viscount Chinda appeared to explain his country's intentions, but he was obviously unwilling to commit Japan to a very definite understanding. He was particularly vague concerning the Japanese police force to be maintained along the railway, without making it clear whether this force was to be controlled by the Japanese government or by the Sino-Japanese railroad administration. President Wilson informed the Council of Three in the presence of the Japanese delegates that American public opinion probably would not approve the transfer of Tsingtau to Japan, especially if Japanese control was to be more extensive than German had been.[3] The Council of Three[4] reached a decision on April 30 to settle the Shantung question by inserting in the Treaty of Peace the Japanese proposals distributed by Baron Makino on April 21.[5] A supplementary understanding, not to be a part of

[1] Dr. E. T. Williams and Dr. S. K. Hornbeck.
[2] Council of Four, *Secret Minutes*, April 28, 1919.
[3] *Id.*, April 29, 1919.
[4] Orlando did not return to Paris until May 6, 1919.
[5] Articles 156, 157, and 158. For texts, see Appendix XIII.

the treaty, was concluded to cover the methods by which Japan was to arrange the restoration of Tsingtau to China and the rights which Japanese were to retain. The Japanese delegation declared that

> "the policy of Japan is to hand back the Shantung peninsula in full sovereignty to China, retaining only the economic privileges granted to Germany and the right to establish a settlement under the usual conditions at Tsingtau. The owners of the railway will use special police only to insure security for traffic. They will be used for no other purpose. The police force will be composed of Chinese and such Japanese instructors as the directors of the railway may select will be appointed by the Chinese government."[1]

However, if China failed to participate in the formation of the police force or the employment of Japanese instructors, the Japanese government reserved the right to invoke the treaties of 1915 and 1918. Wilson suggested that as the League of Nations would be functioning by that time it would be better to present the case to it than to revert to the unpopular treaties growing out of the Twenty-One Demands, but Baron Makino replied that no difficulties would arise so long as China coöperated with Japan, but that the Japanese government intended to rely more upon its treaties than upon the Council of the League of Nations.

When the Chinese delegation learned of the settlement bitter disappointment was expressed, and various courses of action were considered. The request to have copies of the minutes of the Council of Four was complied with only to the extent of giving the Chinese the records of the meetings which they had attended, so that they were temporarily unable to find out the

[1] Council of Four, *Secret Minutes*, April 30, 1919.

details of the discussions. Several public protests were issued, but without avail.

The Council of Three awarded to Japan a mandate for the German Pacific islands north of the equator,[1] the question of the final disposition of Yap being left for future negotiation, May 6, 1919, and on the same day the sixth plenary session of the Peace Conference approved the German treaty. On May 7 the completed Treaty of Versailles was presented to Count Brockdorff-Rantzau, German minister for foreign affairs, in the old Trianon Palace, who received it with a few tactless remarks denying Germany's lone responsibility for the war. After the Germans had been given an opportunity to present written observations which resulted in minor changes, the treaty of two hundred fourteen pages was prepared for signature in the Hall of Mirrors, Versailles Palace, June 28, 1919.

Had the Sino-Japanese contentions been referred to an impartial commission appointed by the Conference, it is certain that the treaty provisions would have been quite different from those approved by the "Big Three." Only through secret interviews, agreements, and threats could the Japanese have been successful. President Wilson was convinced that the formation of the League of Nations was impracticable without the adherence of Japan, and he believed that the establishment of the Covenant was superior to every other consideration, for which any sacrifice was justifiable. This feeling doubtless was affected by the withdrawal of the Italian delegation with

[1] *Review of Reviews Magazine*, March, 1919, p. 247.

no certainty of its returning to sign the Treaty of Versailles in which the Covenant of the League of Nations had been incorporated.[1] Should two of the five world powers decline to sign the treaty and to be parties to the Covenant the chances for its success were few. It is unlikely, however, that Japan would have made good her threat,[2] as she was too anxious to retain her recently acquired place among the principal nations to risk losing it by following the precedent of Italy. Italy was firmly seated among the great powers and would hold an influential position whether or not her delegates signed the Covenant. Japan was not as yet admitted to full participation in the affairs of the great powers, as is shown by her exclusion from the Council of Four and the Council of Three. President Wilson, however, believed that Japan would carry out her threats, despite the contrary opinion of Mr. Lansing, and with the president lay the decision. Had he refused to recognize the Japanese claims they would have been placed on a plane with Italy's claims to Fiume, both being based on secret treaties which Mr. Wilson had declared could not be admitted as factors in the determination of terms of peace, and would not have appeared in the final settlement. The feeling among the other American delegates was so intense that some of them were undecided whether or not to refuse to sign the treaty

[1] For the text of the Versailles Treaty and of the Covenant of the League of Nations, see United States Congress, *Senate Document Number 49, 66th Congress, First Session.*

[2] Testimony of Mr. Lansing, United States Congress, Senate Committee on Foreign Relations, *Hearings on the Treaty of Peace with Germany signed at Versailles on June 28, 1919, Senate Document Number 106, 66th Congress, First Session*, p. 182.

if it included the Shantung articles, but none of them was willing to assume the responsibility for possibly precipitating a crisis by openly rebelling against President Wilson. Accordingly, with great reluctance they submitted to his decision.[1]

The Chinese delegation at Paris requested permission to specify reservations to the Treaty of Versailles before signing, but the Council of Four declined to grant the request on the ground that reservations in the text of a treaty were unprecedented.[2] The shallowness of this reason was revealed by the response of the Chinese citing a notable precedent in the Treaty of Vienna in 1815, which was signed by the Swedish plenipotentiary with a reservation to three articles of that treaty under his signature. The Council, however, refused to be swayed from its original decision, and the Chinese then offered to sign if certain wording was modified, so that China might at some future time ask for a reconsideration of the settlement.[3] This also was refused, so the delegates of China declined to sign at all, issuing the following statement in explanation of their attitude :

> "The Peace Conference having denied to China justice in the settlement of the Shantung question, and having, in effect, prevented her from signing a treaty without the sacrifice of her sense of right, justice, and patriotic duty, the Chinese delegation submit their case to the impartial judgment of the world."

The decision of the Council of Three was received in China with a storm of opposition. Anti-Japanese demonstrations and boycotts occurred in various

[1] Lansing, R., *The Peace Negotiations*, Boston, 1921, p. 265.
[2] Great Britain, *House of Commons' Debates*, July 7, 1919.
[3] *Id.*, July 21, 1919.

Chinese cities, even extending beyond China itself, as in Singapore. The Chinese government was believed to be pro-Japanese and was obliged to resign. Attention was drawn to the wording of certain sections of the Versailles Treaty relating to the Far East, wherein Part IV, Section II, Articles 128–134, are headed "China," and Part IV, Section VIII, Articles 156–158, are headed "Shantung,"[1] as if they dealt with separate and distinct regions. President Hsu Shih-chang promulgated a presidential mandate, September 15, 1919, which explained that China had not signed the Treaty of Versailles because of certain clauses which were unsatisfactory and declared the state of war between his country and Germany at an end.[2] By declining to be a party to the Versailles Treaty China also had been excluded from the League of Nations, the Covenant of which was embodied in that treaty. However, the Treaty of St. Germain with Austria likewise contained the Covenant, so that by signing it, September 10, 1919,[3] the Chinese Republic had become enrolled as a member of the League without consenting to the objectionable features of the German treaty, and was entitled to whatever advantages and protection might be afforded by the new experiment.

The Chinese delegation had asked the Peace Conference to revise or cancel the Sino-Japanese Treaties of 1915 as being inconsistent with the free development of China,[4] just as revision of the Treaties of

[1] For text, see Appendix XIII.
[2] For text, see MacNair, H. F., *Modern Chinese History — Selected Readings*, Shanghai, 1923, p. 847.
[3] Great Britain, *House of Commons' Debates*, November 10, 1919.
[4] *Review of Reviews Magazine*, March, 1919, p. 247.

Brest Litovsk and Bucharest had been demanded by European states.[1] This issue, however, became submerged in the Shantung settlement, and no clear ruling was secured from the Conference. In their entirety these treaties comprise two formal treaties and thirteen diplomatic notes, concluded May 25, 1915.[2] As arguments for the nullification of these pacts China claimed: (1) lack of legislative sanction; (2) vital change of the circumstances under which they were formulated; (3) disappearance of one of their objects; (4) conflict with existing treaties; (5) inconsistency with the Covenant of the League of Nations; (6) violation of the "open door" principle; and (7) incompatibility with China's sovereignty and right of self-preservation and self-development.

The so-called Sino-Japanese Treaties of 1915 have never been approved by the Chinese Parliament or National Assembly. According to the Provisional Constitution of Nanking, adopted in January, 1912, Chapter IV, Article 35,[3] the Provisional president declares war, negotiates peace, and concludes treaties with the approval of the National Assembly. It is therefore irregular and unconstitutional for the Chinese government to enter into any international compact without the concurrence of the legislature, and agreements thus entered into are in consequence null in a strictly technical sense. Similar provisions are found in the United States Constitution and in the Constitution of the French Republic adopted in 1875.

[1] Great Britain, *House of Commons' Debates*, July 21, 1919.
[2] MacMurray, J. V. A., *op. cit.*, Vol. II, p. 1216.
[3] For text, see MacNair, H. F., *op. cit.*, p. 732.

The National Assembly, although in session when the Twenty-One Demands were presented by the Japanese minister, was not consulted, nor have the resultant treaties been submitted for legislative approval. Can China be bound by treaties executed by the president but not approved by the parliament? Could the United States have been bound by the Treaty of Versailles concluded by the president but not approved by the Senate? The answer to both questions is in the negative. It is true that the National Assembly was formally dissolved on January 10, 1914, but illegally. The following "Constitutional Council" was consequently illegal with the "constitutional compact." All these innovations passed away with the death of Yuan Shih-kai, June 6, 1916. Various legislative bodies have been created since 1914, but to none of them were these treaties presented for approval, although they were ratified by the president of China, June 8, 1915.[1]

China advanced a doubtful principle of international law by claiming that a treaty becomes null and void when the conditions contemplated by its provisions or under which it is concluded cease to exist. The Chinese government maintained that it expected to remain neutral in the war and was led to believe that the necessary arrangements in regard to the German holdings in Shantung must be made by Japan directly with Germany. As a neutral state, China would have had no place in the peace negotiations and could not have spoken for herself or dealt directly with Germany.

[1] MacNair, H. F., *op. cit.*, p. 801.

Consequently, the understanding that China was to remain neutral was an implicit condition under which the treaties of 1915 were concluded. This condition ceased to exist when China entered the war in 1917 and as a belligerent the Chinese Republic no longer needed the assistance of the Japanese government in treating with the German Empire. Therefore, claimed the Chinese at Paris, China's consent to whatever arrangements Japan might make became meaningless. However effective this argument might be from a nonlegal point of view, it hardly can be upheld as a tenet of international law.

A more reasonable principle is that a treaty becomes null and void when its object ceases to exist.[1] The treaty of 1898 between China and Germany, being but a temporary one, with a limited period of life, was subject to abrogation upon the outbreak of war between the parties. When China entered the war the presidential mandate of August 14, 1917, specifically abrogated that treaty, and the Chinese government since has consistently maintained, in answer to overtures by Japan, that her abrogation of the German lease leaves no necessity for negotiations. Japan's contention was that the lease could not be abrogated by China's participation in the war because the Kiaochow Territory was at that time not in the hands of Germany but of Japan. China claimed that Germany ceased to possess Kiaochow after the formal declaration of war by the president of the Chinese Republic, since which time Japan has been occupying

[2] Lawrence, T. J., *Principles of International Law*, Boston, 1910, p. 327.

the territory of a friendly neighbor and ally. One of the objects of the treaties of 1915 disappeared with the abrogation by China of the German treaty of 1898.

The treaties under discussion also are inconsistent with several existing international treaties and agreements, such as the Anglo-Japanese Alliance of 1911,[1] the Manchurian Convention of 1905,[2] and the various understandings and compacts regarding the "open door" in China. Treaties entered into in disregard of existing pacts are null and void according to recognized principles of international law and established practice. By comparison of the treaties of 1915 with the Anglo-Japanese Alliance of 1911 and the Manchurian Convention of 1905 in particular, it will be difficult to reconcile Japan's actions. In one compact she agrees not to act in any manner prejudicial to the interests of Great Britain, whereas in Group III of the Twenty-One Demands[3] and the exchange of notes of May 25, 1915,[4] Japan aims directly at controlling the mineral resources of the Yangtze valley in the British sphere of influence. Also, in the Manchurian Convention the Japanese government engaged to conform to the original agreements between China and Russia, but in 1915 she insisted upon the extension of the railway leases to ninety-nine years.

Beginning with the Hay notes of 1899 and 1900, we have a series of international commitments for the purpose of maintaining the independence and

[1] For text, see Appendix V.
[2] MacMurray, J. V. A., *op. cit.*, Vol. I, p. 549.
[3] For text, see Appendix VI.
[4] MacMurray, J. V. A., *op. cit.*, Vol. II, p. 1216.

territorial integrity of China and the equality of opportunity for trade and commerce in that country.[1] As Japan professed adherence to the "open door" policy in all these agreements, the "exclusive concession" at Tsingtau demanded by Japan in 1915 is quite inconsistent. This concession was to be established "at a place designated by the Japanese government," leaving China no voice in the selection. The privileges extended to Japanese subjects in Manchuria and Eastern Inner Mongolia were also illustrative of special concessions not granted to other nationalities. The United States, in fact, served notice upon both China and Japan that she would not consider herself bound in any way by the treaties of 1915[2] and President Wilson at Paris, April 30, 1919, expressly stated that he should not be understood as recognizing those documents.[3]

From a legal standpoint the weakest of all arguments for the abrogation of the Sino-Japanese Treaties of 1915 is that of duress. Every commercial treaty of importance between China and European nations is the result of war or of some form of duress. We cannot invalidate treaties tainted with duress to which Japan is a party and at the same time recognize English, French, and Russian compacts with China. But the moral strength of the claim of duress cannot

[1] Anglo-German Convention, 1900; Anglo-Japanese Alliance, 1902; Anglo-Japanese Alliance, 1905; Russo-Japanese Treaty, 1905; Russo-Japanese Convention, 1907; Franco-Japanese Convention, 1907; American-Japanese (Root-Takahira) Agreement, 1908; Russo-Japanese Agreement, 1908; Anglo-Japanese Alliance, 1911; American-Japanese (Lansing-Ishii) Agreement, 1917.

[2] For text of the identical notes, see Appendix IX.

[3] Council of Four, *Secret Minutes*, April 30, 1919.

be so easily passed over. Had China and Japanese been enemies, the status of the treaties would have been different. Why should Japan treat China worse than she did Germany, her avowed enemy? The treaties of Bucharest and of Brest Litovsk were concluded under duress but were legally valid. However, in the armistice terms Germany was obliged by the Allies, of whom Japan was one, to agree to the abrogation of these treaties, as their terms were severe on Roumania and Russia. If treaties concluded by enemies could be abrogated under the plea of duress, why should not the treaties concluded under duress by allies be abrogated?

At the conclusion of the Russo-Japanese War in 1905 Russia insisted that Japan secure the consent of China before taking possession of Russian-leased territories, thereby acknowledging China as the real owner. It is significant that Chinese consent was to be obtained after Russia herself had agreed to the transfer, that is, after the fortunes of war had been decided. It appeared to be the only legal way of accomplishing the desired ends. In 1915, however, Japan did not wait for the fortunes of war to be decided and did not first consult Germany as the lessee, as Russia's consent was first secured in 1905, although the situation was slightly altered by the fact that China, in this instance, was later at war with Germany. The Chinese government was called upon to transfer to Japan that which she had already leased to Germany.

That President Wilson misunderstood Japan's aims is illustrated by his statement that the League of

Nations would prevent her from assuming full sovereignty over Shantung. That was something which the Japanese government did not need or desire, as Japan's newly acquired economic rights were all-sufficient to constitute in effect political control. Manchuria has demonstrated this. The question of returning to China full sovereignty over Shantung was but a subterfuge behind which to hide the real issues; as Japan never legally possessed such sovereignty, she could scarcely return it.

The anti-Japanese boycotts before mentioned were resolutely continued by the Chinese during the spring of 1920. The government was powerless to oppose the intense national feeling aroused throughout the country by the Paris settlement, despite the fact that it was controlled by the pro-Japanese militaristic party. A document drawn up at the request of the premier in March, 1920, for presentation to the legations in Peking, clearly explains the motives beneath the Chinese policy of refusing to negotiate with Japan concerning Shantung, but it was suppressed by the military group. According to this statement, China insisted upon the evacuation and the restoration of Tsingtau and the Shantung Railway before any negotiations with Japan alone could be considered, but she expressed willingness to arrange an international loan to buy the railway stock, to institute customs control under the direction of the Inspectorate of Maritime Customs, and to internationalize the port of Tsingtau. Unless Japan would accede to these proposals the only adjustment which would be acceptable

would be by an international tribunal.[1] Repeated Japanese overtures were met by passive resistance, delay, and evident intention not to negotiate. The Japanese minister, Mr. Obata, was instructed by Tokyo on April 26, 1920, to make further advances for the discussion of the return of Tsingtau, as the three-month period prescribed by the Treaty of Versailles for the transfer of German rights in Shantung to Japan had expired, April 9.[2] While China's official reply to the Japanese proposals was being formulated early in May it was semiofficially announced on May 9 that the answer would reiterate her refusal to enter into direct negotiations with Japan until after the Shantung settlement had been revised by the League of Nations. This was the position taken in the Chinese note of May 22, 1920.[3]

Towards the end of May the Japanese cabinet decided to open negotiations with Great Britain anticipatory to the renewal and revision of the Anglo-Japanese Alliance. The expiration date of the Agreement of 1912 was approaching, and Baron Hayashi, the new Japanese ambassador to London, was instructed to take up the matter as soon as he arrived. Japanese public opinion favored a renewal of the arrangement, with certain changes, feeling confident that Great Britain would lean towards renewal because of the Bolshevist menace to India. The Alliance had proved invaluable to Japan in the Russo-Japanese War and in the World War, and the British government

[1] *Current History Magazine*, June, 1920, p. 463.
[2] Chinese Delegation to the Washington Conference, *Official Statement*, Washington, 1922, p. 1.
[3] *Id.*, p. 4.

had benefited by it to the extent that it permitted a redisposition of the English naval forces, leaving the Japanese navy to protect British interests in the Far East. It was reported in Peking and confirmed in London[1] that the Chinese government had protested against the extension of the pact without previous consultation with China. In the British Empire, feeling arose against the continuance of the alliance without first ascertaining the views of the new administration which would come into power in Washington in March, 1921, and the government of Great Britain declared that it was fully aware of the delicacy of the situation and would take it into consideration.[2] On July 8, 1920, the British and Japanese governments issued a joint statement to the effect that the Anglo-Japanese Alliance, "though in harmony with the spirit of the Covenant of the League of Nations, is not entirely consistent with the letter of that Covenant which both governments earnestly desire to respect."[3] Australia appeared to be especially hostile to the proposed renewal of the Alliance, but the British government refused to reveal the exact nature of the correspondence in order to avoid complications with Japan.[4]

During the first few weeks of 1921 four problems occupied the attention of the government of Japan, namely: (1) the question of negotiating with China concerning Shantung; (2) withdrawal from Siberia; (3) maintenance of troops on the Korean-Manchurian

[1] Great Britain, *House of Commons' Debates*, June 10, 1920.
[2] *Id.*, June 24, 1920.
[3] League of Nations, *Treaty Series*, Vol. I, No. 1, September, 1920, p. 24.
[4] Great Britain, *House of Commons' Debates*, July 15, 1920.

frontier to suppress anti-Japanese demonstrations; and (4) solving the problem of Japanese emigration to the United States.

It is with the first of these that we are at present concerned. On January 2, 1921, Viscount Uchida, the Japanese foreign minister, discussed the whole question of foreign policy except the Manchurian situation.[1] He expressed the hope that China might soon become united and cease all civil strife, as Japan's difficulties in securing an agreement for the restoration of Tsingtau were caused by internal dissension in China. These internal difficulties were due to the weakness of the Peking government, dominated by provincial military governors. Chinese diplomatic representatives abroad had no influence at home. The Chinese Parliament was powerless; the army and the navy were in practical revolt. This situation reacted very forcefully upon China's foreign relations, as a country which was unable to regulate its domestic affairs certainly was in no position to hold its own in the society of nations.

A new Japanese Diet assembled on January 22 and heard Viscount Uchida outline the government's international policy. He deplored the lack of peace and unity in China and spoke at great length on the other phases of their foreign relations. On the twenty-fourth the Kensei Kai, or Opposition, led by former Foreign Minister Viscount Kato, commenced its attack upon the government. For the first time in the history of Japan the leader of an opposing party had

[1] *Current History Magazine*, February, 1921, p. 386.

dared to give previous notice that he would attack the Administration formally on the floor of the Diet, but as this attack was based chiefly upon phases of foreign policy distinct from the Shantung issue it need not be discussed here.

That Japan herself was disturbed by the various kinds of trouble emanating from the annexed and occupied regions on the continent of Asia is evident by the holding of an extraordinary council in Tokyo beginning May 18, 1921.[1] Attended by the highest Japanese military and civil officials of the colonial territories, plans for meeting the situation were discussed in secret. No official reports were issued, but it was semiofficially understood that Siberia, Shantung, and the attitude of the United States were the chief themes of discussion. No change in the strained relations with China had come about and the council determined to make every effort to persuade the Chinese to negotiate. Japanese troops were to be withdrawn from Shantung, leaving only a regiment at Tsingtau, as evidence of Japan's sincerity in offering to return the province to the Chinese government. Japanese newspapers declared that it had been the intention of the Japanese government to remove the troops from the railway, but that delay had resulted from failure of the Chinese authorities to provide an adequate police force to replace them. The new plan was first to effect the withdrawal and then again to press China to open negotiations for the retrocession of the territory. Furthermore, it was planned to

[1] *Current History Magazine*, July, 1921, p. 709.

abandon Japanese rights over collieries, mines, and salt beds, as required by the Versailles Treaty.[1] The consent of the diplomatic advisory council and other official bodies was to be secured, approving the proposed policy, so that China might be influenced by these manifestations of good will and intentions.

The situation underwent a change when, July 10, 1921, President Harding, of the United States, on his own initiative[2] sent to France, Great Britain, Italy, and Japan invitations to participate in a formal conference, probably at Washington, for the purpose of discussing the limitation of armaments and all vexed outstanding questions threatening world peace.[3] The text of this preliminary invitation was not published, but the Department of State issued a summary of it. This first and general invitation was promptly accepted by all the powers addressed except Japan. The Japanese government delayed several days, while secret conferences were held to determine its course of action before replying. On July 14 Japan expressed her willingness to accept the invitation, but first wished to be advised as to the scope and nature of the subjects to be discussed.[4] It was semiofficially stated in Tokyo that Japan would not discuss subjects already settled or which solely concerned a given nation. The United States government chose to regard the Japanese note as an acceptance in principle and effect

[1] *Current History Magazine*, August, 1921, p. 887.
[2] Senator Borah's resolution, introduced April 3, requesting President Harding to take this step, was adopted by the United States Congress, May 25, 1921. *Searchlight Magazine*, May, 1921.
[3] *Current History Magazine*, August, 1921, p. 727.
[4] *Ibid.*

and expressed the hope that Japan would leave the nature and scope of the problems to be discussed open for adjustment by the conference itself. The Japanese government was thus placed in an awkward position. To refuse to participate would sacrifice the position as a world power which Japan had attained and would concede that world problems could be adjusted without Japan's approval. Furthermore, the Japanese were unwilling to assume the rôle of interested spectators in the settlement of matters which might vitally affect them. They wanted to be on the inside and to have full knowledge of everything that happened. Accordingly, although Japan very much wanted to exclude from discussion the Shantung question, the status of the mandates in the Pacific Ocean and of Yap, she was obliged to accept the viewpoint of the American government. On August 11 a formal invitation to attend the Washington Conference for the reduction of naval armaments and the clearing up of troublesome Pacific problems was addressed to Belgium, France, Great Britain, Italy, Japan, the Netherlands, and Portugal.[1] Japan accepted this invitation on August 24,[2] reasserting the reservations which had been expressed in a note of July 27. A separate invitation was addressed to China, a favorable reply being received on August 18, 1921.[3]

Both the government and the press of Japan were skeptical as to the purpose of the proposed conference, and their distrust was increased by the knowledge

[1] *Current History Magazine*, September, 1921, p. 917.
[2] *Id.*, October, 1921, p. 22a.
[3] For text, see Appendix XIV.

that China also had been invited to attend, particularly as Peking had recently instructed Dr. Koo, its representative on the Council of the League of Nations at Geneva, that in 1922 the Chinese government intended to appeal the Shantung case to the Assembly of the League.[1]

Japan repeatedly had offered to return to China the sovereignty of Shantung on the condition that she be allowed to retain all the economic advantages and concessions which she had obtained from Germany. China had as steadfastly refused to accept this proposal on the ground that she never accepted the Versailles settlement. The invitation of President Harding offered n opportunity for discussion, and the Chinese government prepared to present a strong case to the Washington Conference. In view of the approaching conference, Japan made a final effort to negotiate with China on the subject, submitting nine proposals as the terms of final settlement.[2] After careful consideration, the Chinese government replied on October 5,[3] Dr. W. W. Yen, the foreign minister, handing a note to the Japanese minister. In diplomatic but inflexible language it took up in detail the entire Japanese proposal and rejected every part thereof. Two of the Japanese terms were not mentioned in the reply (Points 4 and 8) because they dealt with conditions which China did not recognize as existing or which she was not prepared to consider.

[1] Great Britain, *House of Commons' Debates*, October 31, 1921.

[2] Godshall, W. L., *International Aspects of the Shantung Question*, University of Pennsylvania, Philadelphia, 1923, p. 127.

[3] Chinese Delegation to the Washington Conference, *Official Statement*, Washington, 1922, p. 8.

In the concluding sentence, "in view of the marked difference of opinion between the two countries and apprehending that the case might long remain unsettled," China reserved to herself "the freedom of seeking a solution of the question whenever a suitable occasion presents itself." The Japanese diplomats clearly understood from this that the Chinese government would lay the controversy before the Washington Conference and they also prepared to meet the issue.

As the abrogation of a portion of the Versailles Treaty would tend to disintegrate the entire document, Japan looked for support of her claims to all the nations signatory to that pact, but in the meantime the Japanese Foreign Office attempted to prolong the discussions with China by expressing willingness to reopen the question and asserting that no effort had been spared to "achieve a speedy settlement." The argument that former German rights in regard to the lease of Kiaochow totally expired with China's declaration of war against Germany and should therefore be restored to China without conditions was declared to be unwarranted by the principles and usages of international law or by treaties in existence between China and Japan and directed towards the frustration of the effects of the Treaty of Versailles. Japan raised objections to the operation of the Shantung Railway by China because railway conditions were unsatisfactory throughout the Republic. The railway had been operated by Germany alone so long as it had remained in her hands and Japan desired

only joint operation with China as arranged in September, 1918.[1]

The Chinese government delivered another memorandum, November 4, 1921, two thousand words in length, again refusing to accept the Japanese proposals as being "altogether too remote from the hopes and expectations of the Chinese government and people, who therefore are obliged to await patiently an opportunity suitable to Japan for a reconsideration of her position."[2] This opportunity was presented during the Washington Conference.

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[1] MacMurray, J. V. A., *op. cit.*, Vol. II, p. 1445.

[2] Chinese Delegation to the Washington Conference, *Official Statement*, Washington, 1922, p. 14.

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CHAPTER VIII

SHANTUNG IN THE WASHINGTON CONFERENCE

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THE primary announced purpose of the Washington Conference was to discontinue international competition in the maintenance of expensive military and naval establishments. In order that this aim might be realized, it was found to be necessary to remove whatever causes of early friction might exist. The Far Eastern situation was realized to be most likely to produce complications, and accordingly "a solution of Pacific and Far Eastern problems" was likewise declared by President Harding to be one of the objects. The militaristic and imperialistic policies of the Japanese Empire were generally acknowledged, even by Japan herself, as shown by her hesitancy in accepting the preliminary invitation of July 10, 1921, to be largely responsible for the acute situation in China and Siberia. There can be no doubt that the Japanese government of the day intended to secure a paramount political and economic control of eastern Asia in order to insure continued development and influence of Japan. All the states invited to the Conference, with the exception of Italy, which was invited for the armament discussions, had extensive territorial, financial, or commercial interests in Asia. As Japan fully recognized, the actual purpose of the second expressed object of the Washington Conference was to restrain her ambitions. Consequently, the

Japanese reply to the invitation, July 27, attempted to forestall the inevitable by barring from discussion questions "such as are of sole concern to certain particular powers or such matters that may be regarded as accomplished facts."

The Washington Conference formally convened November 11, 1921, but immediately adjourned to attend Armistice Day services in memory of the Unknown Soldier. Seven plenary sessions were held, the first on November 12, in complete publicity. Newspaper correspondents and other persons were admitted by ticket, the number necessarily being limited by the size of the conference hall. No censorship was imposed upon the reports of the pressmen, but, as at Paris, only final decisions were registered by the plenary sessions. The actual negotiations took place in committees whose deliberations were not public, nor were exact minutes of their proceedings published. Considerable publicity was attained, however, by the practice of issuing communiqués containing rather detailed accounts of the meetings of committees and subcommittees. Each delegation was at liberty to issue its own statements if it chose to do so.

At the first plenary session, November 12, Mr. Balfour, of the British delegation, nominated as chairman of the Conference Secretary of State Hughes of the United States as a tribute to American initiative in summoning the Conference. After accepting the chair Mr. Hughes suggested that all the delegations present select representatives to sit on committees of program and procedure for armaments, and for Pacific

and Far Eastern questions.[1] The importance which was attached to the latter topic is indicated by the fact that all the heads of missions appointed themselves as members of the Committee on Program and Procedure for Pacific and Far Eastern Questions. This group held its first meeting on November 14, and recommended to the Conference the appointment of a committee composed of all the plenipotentiary[2] delegates of the nine powers to examine and report on the problems of the Pacific and the Far East, with power to establish such subcommittees as might be found to be needed.[3] An identical arrangement was proposed for handling the armament problem, so that the Conference was organized as three separate bodies, the plenary sessions and two identical committees of the whole, all three embracing all the heads of missions and their staffs. Reports of subcommittees were to be discussed in the respective committees of the whole and recommendations presented to the plenary sessions for adoption. In the matter of program, the agenda drafted by the government of the United States was accepted by the Conference without change after the Chinese government had been assured of liberal interpretation of its subdivisions so as to admit the discussion of questions which it particularly desired to bring up.[4]

The Committee of the Whole on Pacific and Far Eastern Questions held its first meeting on November

[1] Washington Conference on the Limitation of Armaments, *First Plenary Session*, Washington, 1922, p. 12.

[2] Only those delegates possessing full powers to negotiate.

[3] Washington Conference on the Limitation of Armaments, *Second Plenary Session*, Washington, 1922, p. 2.

[4] For text, see Appendix XV.

16, Mr. Sao-ke Alfred Sze, the Chinese minister to the United States, presenting ten official proposals in behalf of his government. These proposals outlined the principles upon which China wished to base the approaching diplomatic struggle, including the complete removal of all political, jurisdictional, and administrative restrictions upon the Chinese Republic. As the United States, Great Britain, and Japan had indicated their willingness to open the debate on bases presented by China, Dr. Sze took the first opportunity to state the general principles which his government hoped would guide the Conference in its determinations, reserving the privilege of later presenting certain applications of these principles. The Chinese minister represented his country as anxious to play her part in making her vast natural resources available to all peoples who need them and in return to receive the benefits of free and equal intercourse with others. In order to do this, however, she must be given opportunity to develop her political institutions in accordance with the genius and needs of her own people, including freedom from the danger or threat of foreign aggression.[1] The following general principles, therefore, were proposed for the consideration of the Conference :

> 1. *(a)* The powers engage to respeet and observe the territorial integrity and politieal and administrative independenee of the Chinese Republic.
>
> *(b)* China upon her part is prepared to give an undertaking not to alienate or lease any portion of her territory or litoral to any power.

[1] For a complete statement of the remarks, see *Current History Magazine*, December, 1921, p. xxviii.

2. China, being in full accord with the principle of the so-called "open door" or equal opportunity for the commerce and industry of all nations having treaty relations with China, is prepared to accept and apply it in all parts of the Chinese Republic without exception.

3. With a view to strengthening mutual confidence and maintaining peace in the Pacific and the Far East, the powers agree not to conclude between themselves any treaty or agreement directly affecting China or the general peace in these regions without previously notifying China and giving to her an opportunity to participate.

4. All special rights, privileges, immunities or commitments, whatever their character or contractual basis, claimed by any of the powers in or relating to China are to be declared, and all such or future claims not so made known are to be deemed null and void. The rights, privileges, immunities, or commitments, not known or to be declared, are to be examined with a view to determining their scope and validity and, if valid, to harmonizing them with one another and with the principles declared by this Conference.

5. Immediately or as soon as circumstances will permit, existing limitations upon China's political, jurisdictional, and administrative freedom of action are to be removed.

6. Reasonable, definite terms of duration are to be attached to China's present commitments which are without time limit.

7. In the interpretation of instruments granting special rights or privileges, the well-established principle of construction that such grants shall be strictly construed in favor of the grantors, is to be observed.

8. China's rights as a neutral are to be fully respected in future wars to which she is not a party.

9. Provision is to be made for the peaceful settlement of international disputes in the Pacific and the Far East.

10. Provision is to be made for conferences to be held from time to time for the discussion of international questions relative to the Pacific and the Far East, as a basis for the determination of common policies of the signatory powers in relation thereto.

It will be observed that all these principles would not be acceptable to all the nations represented in the Conference. They covered too much ground to be admitted as a program. Point 1 might be approved

"in principle" by the powers, and Point 2 would probably win general acceptance, but Point 3 introduced such a radically new thought, giving China an opportunity to participate in treaties and agreements directly concerning her, that it was viewed with suspicion. Under Point 4 all secret agreements relating to China must either be published or discarded. The fifth proposal most directly concerns Shantung, involving Japanese departure from that province and abandonment by other states of their respective leaseholds. Extraterritorial jurisdiction also would be abolished, along with certain guarantees which some of the powers were not yet ready to drop. The abolition of spheres of influence naturally would follow, but as some states already had taken steps in that direction this might not prove to be an insurmountable obstacle. The remaining five points also presented subjects for debate by the powers most directly affected.

It must be observed that China was not striving to abrogate all agreements with other nations but merely desired to place those agreements on a more limited and businesslike basis, and that the matter was the more complicated by the fact that not a majority vote but an absolute agreement of all parties was necessary before the Conference could deliver a decision. The Chinese delegates were not fighting individual states or groups of states but were expected by their countrymen to secure the recognition of long-established but never-attained principles which had been distorted by the Treaty of Versailles.

A subcommittee on Pacific and Far Eastern questions was appointed to consist of plenipotentiary delegates[1] and met on the morning of November 17 to discuss the Chinese proposals. It was decided to recommend a general discussion by the Committee of the Whole. Normally such discussion would have taken place on November 17 in the afternoon, but upon the request of the Japanese delegation the meeting was postponed to November 19, probably to allow sufficient time to communicate with Tokyo. On the nineteenth Baron Kato spoke for Japan, asserting that China's present difficulties were due largely to her unsettled domestic situation, and that his country had no idea of territorial expansion in any part of China. Accordingly, Japan would gladly support, without condition or reservation, the policy of the "open door," as she did not claim any special rights or privileges but welcomed fair and honest competition with all nations, although the Japanese were obliged to rely upon China for the supply of raw materials essential to their industrial life and of foodstuffs. Furthermore, Baron Kato expressed the belief of his government that the principal object of the Conference was to establish, in common accord, policies and principles to guide the future actions of the nations represented. Although Japan was willing, of course, to explain or discuss any problem which the Conference chose to bring up, she would be sorry to observe "undue protraction of the discussions by

[1] Washington Conference on the Limitation of Armaments, *Second Plenary Session*, Washington, 1922, p. 4.

detailed examination of innumerable minor matters."[1]

The Belgian ambassador to the United States, Baron de Cartier, pledged the support of his government to all measures which the Conference might adopt to insure the territorial integrity of China and to furnish her with the means to overcome her present difficulties. Belgium unreservedly favored the policy of the "open door" and, in accord with the powers concerned, was ready to consent to a fair increase in the customs duties. Furthermore, Baron de Cartier declared Belgium to be willing to align herself on the side of the countries which were disposed to accept the gradual abandonment of their rights of jurisdiction as soon as the Chinese government had completed the work that it had undertaken and should be in a position to give assurance of the many guarantees that the proper administration of justice demanded.[2]

Great Britain's representative, Mr. Balfour, said that he thought it unnecessary to add to the frequent declarations of his government on all these questions such as the "open door," the integrity of China, the desirability of leaving China to work out its own salvation and to maintain control over its own affairs, and of substituting, when circumstances warranted, the normal process of law for extraterritoriality.[3]

Italy, through Senator Schanzer, declared herself ready to examine, together with the other delegations, with the greatest care and a spirit of sincere sympathy the questions relating to China, and pledged her

[1] *Current History Magazine*, December, 1921, p. xxxii.
[2] *Id.*, p. xxxiii.
[3] *Ibid.*

support to the solutions that appeared to be best suited to assure the free development of China and to guarantee an equality in footing of the different nations in their efforts to promote the progress of China and of commerce with that country.[1]

The French delegation was represented by M. Briand as being disposed to consider in the most favorable light the Chinese claims in their entirety but felt the necessity of making a thorough examination of each claim in order to reach a practicable result.[2]

Jonkheer van Karnebeek, of Holland, remarked that he had but little of material importance to say, but merely wished to avail himself of this opportunity to assure China of Holland's good will and of its willingness to aid her in the realization of legitimate aspirations and in her endeavors towards a consolidation and stabilization of her domestic affairs which are connected with the problems affecting the Pacific.[3]

The Portuguese delegate, Viscount d'Alte, was the last to speak in reply to the Chinese proposals of November 16. He expressed his pleasure that the delegates of other nations represented at the Conference had expressed nearly identical views with his own and with one another as to the desirability, in the interests of all, of a prosperous and united China and gladly associated himself with his colleagues in the expression of this desire.[4]

1 *Current History Magazine*, December, 1921, p. xxxiv.
2 *Ibid.*
3 *Ibid.*
4 *Ibid.*

Mr. Elihu Root, of the American delegation, remarked that there apparently was such uniformity of views upon certain basic principles that it would be a good opportunity to formulate some such principles in definite resolutions to be approved by the Conference. In this connection the question "What is China ?" arose and Dr. Koo, of the Chinese delegation, announced that territorial integrity should be guaranteed to the regions defined in the Constitution of the Chinese Republic. The Provisional Constitution of 1912 includes in the Republic of China "twenty-two provinces, Inner and Outer Mongolia, Tibet and Kokonor."[1] Concerning administrative integrity, Dr. Koo explained that the twenty-two provinces formed one unit, whereas the other regions constituted other units for internal administration, but that so far as the rest of the world was involved, the Chinese Republic should be considered as one unit. The meeting was brought to a close after Dr. Sze, speaking for his associates, expressed their appreciation of the united sympathy and friendship of the assembled delegations for China and her proposals.

In connection with the position taken by Mr. Balfour, attention may be drawn to a statement made in Parliament by Undersecretary of State for Foreign Affairs Harmsworth to the effect that "the policy of spheres of influence in China has been superseded by one of international coöperation, and the further development of this policy will no doubt form one of the subjects of discussion at Washington."[2]

[1] MacNair, H. F., *op. cit.*, p. 729.
[2] Great Britain, *House of Commons' Debates*, October 31, 1921.

The Conference met in plenary session for the third time on the morning of November 21. Mr. Hughes, in his capacity as chairman, informed the gathering that in the course of the deliberations of the Committee of the Whole on Pacific and Far Eastern Questions most important declarations had been made on behalf of the countries represented. Although at that time there was nothing to report to the plenary session with respect to those declarations, Mr. Hughes expressed great satisfaction with the expedition and thoroughness of the consideration of the matter.[1]

Later in the day the Committee of the Whole convened to receive the resolutions which Mr. Root had prepared for consideration.[2]

> It is the firm intention of the powers attending this conference hereinafter named, to wit, the United States of America, Belgium, the British Empire, France, Italy, Japan, the Netherlands, and Portugal:
>
> 1. To respect the sovereignty, the independence, and the territorial and administrative integrity of China.
> 2. To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government.
> 3. To use their influence for the purpose of effectually establishing and maintaining the principles of equal opportunity for the commerce and industry of all nations throughout the territory of China.
> 4. To refrain from taking advantage of the present conditions in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly states and from countenancing action inimical to the security of such states.

These resolutions were originally proposed in slightly different form, three amendments being made by the

[1] Washington Conference on the Limitation of Armaments, *Third Plenary Session*, Washington, 1922, p. 2.

[2] Approved by the Fourth Plenary Session, December 10, 1921.

Committee of the Whole. The Chinese delegation suggested that the resolutions be made applicable only to the states represented in the Conference. Mr. Root had written "overcoming the difficulties incident to the change from the old and long-continued imperial government" at the end of his second point, but it was omitted in order to avoid any implication of favoring one form of government over another, in as much as the parties concerned represented various governmental systems. The opening words of the third resolution, "to use their influence for the purpose of effectually establishing and maintaining," were substituted at the suggestion of Mr. Balfour for "to safeguard for the world, so far as it is within our power," thereby tending to make the pronouncement stronger. As finally adopted, the Root Resolutions are significant in that the term "China" is used throughout rather than "Chinese Republic," which is not usually considered so inclusive. Also, "administrative integrity" is a broader term than "territorial integrity," which formerly was used in most undertakings, Mr. Root taking care to explain that "respect" was intended to be more forceful than "observe." However, Mr. Balfour made it clear that this resolution would not prevent the Committee from further discussion concerning questions relating to China. The fourth resolution was intended to prevent any repetition of incidents like the presentation of the Twenty-One Demands and the forced signature by China of the treaties of 1915. Furthermore, it was not based upon previous statements of the delegations, but represented a principle to which the powers were asked

to commit themselves. It was introduced solely upon the initiative of the American delegation, and its adoption constituted a great victory for China for which the Chinese people should be grateful. The Chinese proposals and the Root Resolutions had been considered under the first subheading, "Principles to be applied," of the first main heading, "Questions relating to China," on the agenda of the Committee of the Whole, and attention now was directed to "Application," subdivided into sections for convenience.[1]

The Conference again met as the Committee of the Whole on Pacific Problems on November 22. The proposal of China not to alienate or lease any portion of her territory or littoral to any power was introduced for discussion in a general way, but Shantung, Manchuria, Mongolia, or other specific areas were not brought up at this time. Baron Kato greatly clarified the territorial issue by stating that Japan regarded Manchuria as a part of China.[2]

One week after the adoption of the Root Resolutions Dr. Sze addressed the Committee of the Whole on the subject of foreign forces in China. Recalling the first two of those accepted principles, the Chinese plenipotentiary protested against further violation of his country's sovereignty and administrative integrity by the maintenance of foreign troops, railway guards, police boxes, and communications control without the consent of the Chinese government. He alluded to the reaction which would follow similar actions in

[1] For text of the agenda, see Appendix XV.
[2] *Current History Magazine*, December, 1921, p. 384.

other countries without the consent of the governments thereof, and presented a proposal for adoption under the terms of which the nations represented would agree to discontinue the practice unless specifically authorized to maintain such forces by the government of China.[1] The conversations were carried over into the ninth meeting of the Committee of the Whole on November 29. Japan declared that "there are specific reasons for the existence of such institutions in each special case" and that she was "prepared to explain these specific reasons which have brought about the existing conditions in the cases in which Japan is concerned." Mr. Hanihara, vice minister for foreign affairs of Japan, presented a carefully prepared statement disclaiming most emphatically that Japan entertained "any aggressive purposes or any desire to encroach illegitimately upon Chinese sovereignty in sending to or maintaining such garrisons in China." The Japanese government was determined to withdraw the Shantung Railway guards as soon as notice was received of the organization of a Chinese police force ready to take over the protection of the railway. The maintenance of guards along the South Manchuria Railway, however, was on a different basis, as recognized by China in the Treaty of Peking of 1905, and was absolutely necessary, from the Japanese viewpoint, because of frequent attacks on trains by bandits. Consequently, it was not possible to withdraw those guards, leaving the railway zone to the mercy of outlaws. The Chinese Revolution of 1911 endangered

[1] For text of this statement, see Willoughby, W. W., *China at the Conference*, Baltimore, 1922, p. 136.

the lives and property of foreigners, and Germany, Great Britain, Japan, and Russia sent troops to Hankow where frequent disturbances had occurred. Subsequent disorders had prevented the recall of the Japanese contingent, although the Japanese government awaited the earliest opportunity to do so upon being assured that effective measures would be taken by China to maintain peace and order. Troops stationed in other parts of China were described as being in conformity with treaty or agreement specifications undertaken at various times, to be withdrawn at the proper time in conjunction with the withdrawal of other foreign troops. Concerning the question of Japanese consular police in China, Mr. Hanihara pointed out that such police did not interfere with Chinese or other foreign nationals but were confined strictly to the protection and control of Japanese subjects, their most important duties being the prevention of crimes by Japanese and the apprehension and punishment of Japanese criminals. The geographical proximity of China and Japan made it easy for certain disorderly elements in Japan to go to China to take advantage of the unsettled conditions there. Without the assistance of the Japanese police it would be difficult for the Chinese authorities, who have no power to search the houses of foreigners enjoying extraterritorial rights or to secure testimony from them, to capture escaped criminals. He further stated that it had been noticed that lawless elements moved to districts beyond the reach of Japanese police supervision, thereby indicating that Japanese policing provided a protection for Chinese communities which

their own organizations failed to provide, and expressed his ability to mention specific cases if necessary.[1]

Any one who has traveled in China will readily appreciate the greater security which is felt while riding on trains patrolled by foreign guards. The Chinese guards are in many instances thoroughly unreliable as well as powerless to protect the train and its passengers from stray bands of outlaws or bodies of Chinese soldiers belonging to one of the many outfits masquerading as the Chinese army. Cases can be cited wherein the soldiers themselves pillaged the trains which they were supposed to protect. At the time of the Conference there were reported to be about ten thousand foreign soldiers in China, including forty-five hundred Japanese, of whom twenty-seven hundred were stationed in Shantung province. The United States maintained a force of 1,504; France, 1,214; Great Britain, 1,044; Holland, 78; and Italy, 31.[2] In addition to these, there were over eighteen hundred Japanese police in Manchuria, although no treaty stipulations authorized their presence; but Mr. Hanihara declared that they in no way interfered with Chinese residents.

Dr. Sze replied that international law did not sanction the stationing of either foreign troops or police in a country without its consent, even though efficiency of such forces might be advanced as justification for their presence.

[1] For text of these remarks, see Willoughby, W. W., *op. cit.*, p. 140.
[2] *Current History Magazine*, January, 1922, p. 531.

It then was announced to the Committee of the Whole that Mr. Hughes and Mr. Balfour had offered their good offices to the representatives of China and Japan with the suggestion that there should be conversations between these delegates looking to the settlement of the questions relating to Shantung and the leased territory of Kiaochow. The offer had been accepted by both delegations, and it was arranged that the conversations should proceed at once, the first meeting for that purpose being scheduled for the afternoon of December 1, 1921.[1] This expedient was resorted to by the powers because most of those present at the Washington Conference[2] were signatories to the Treaty of Versailles and would have felt obligated to support its terms. They could not be expected to repudiate its Shantung clauses or articles, and only a deadlock could result from bringing the matter before the Conference itself. Accordingly, it was thought best to persuade China and Japan to engage in friendly discussion outside the Conference but within the atmosphere which had been created, and endeavor to reach an agreement. This represents the actual beginning of negotiations concerning Shantung, apart from the official proceedings of the Conference on the Limitation of Armaments.

While the Sino-Japanese conversations were progressing, the Far Eastern Committee of the Washington Conference arrived at some conclusions affecting Shantung. On December 3, the question of leased areas arose. Dr. Koo outlined the development of

[1] *Current History Magazine*, January, 1922, p. 533.
[2] All except China, Holland, and the United States.

the system, citing the cases of Kiaochow, Liaotung Peninsula, Kwangchow-wan, Kowloon, and Weihaiwei.[1] These leases were granted, according to Dr. Koo, with the sole purpose of maintaining the balance of power in the Far East, but he believed that the time had come for the powers to relinquish their holdings. China in turn would be prepared to respect and safeguard the legitimate vested interests already established. Mr. Viviani announced that Italy was ready to join in the collective restitution of leased territories.[2] The Japanese positions was outlined by Mr. Hanihara, who declared that Kwantung province[3] had been obtained from another power "at considerable sacrifice in men and treasure,"[4] and Japan was unwilling to surrender her rights there at this time. Mr. Balfour stated that Kowloon was absolutely essential to Hongkong for defensive purposes, and that the entire world was interested in safeguarding that port. Hence, Kowloon was in a different category from other leased territories, but Great Britain was willing to return Weihaiwei to China as a part of the general arrangement intended to confirm the sovereignty of China and to give effect to the principle of the "open door." On December 7, Dr. Koo replied to Mr. Hanihara's statement by asserting that the maintenance of leased territories jeopardized rather than safeguarded the peace of the Far East, both the Russian and German holdings having brought war into China. He took exception to the

[1] For details, see Godshall, W. L., *op. cit.*, Chap. I.
[2] As Italy possesses no leaseholds in China this offer has no practical weight.
[3] Including Port Arthur and Dairen, or Dalny.
[4] *Current History Magazine*, January, 1922, p. 537.

manner in which Japan secured a ninety-nine-year extension of the Manchurian lease which should have expired in 1925. No further progress was made at this time, however.

The fourth plenary session, December 10,[1] marked the conclusion of the Four-Power Treaty between France, Great Britain, Japan, and the United States, in which these states pledged themselves to respect each other's insular possessions in the Pacific Ocean, to accept mediation of disputes over such possessions, and to take concerted action to protect their rights therein if threatened by outside nations. This pact terminated the renowned Anglo-Japanese Alliance as renewed on July 13, 1911. The Root Resolutions were approved at this time.

After three days of animated debate, the Committee on Pacific and Far Eastern Questions adopted, January 21, 1922, a resolution of great importance, requiring the several powers to file with the Secretariat General of the Conference a list of all treaties, conventions, exchanges of notes, or other international agreements which they might have with China or with any other power or powers in relation to China and which they deemed still to be in force and upon which they may desire to rely. Future treaties or agreements are to be communicated to the powers concerned within sixty days of their conclusion. China agreed to reveal every treaty, agreement, or contract which had been or might be concluded with any foreign government or nationals, whether a party to this

[1] Washington Conference on the Limitation of Armaments, *Fourth Plenary Session*, Washington, 1922, p. 2.

agreement or not, so far as the information is within its possession.[1] After the session, one of the Chinese delegates observed that his government probably would not have any knowledge of private contracts between foreign nationals and local military governors and therefore could not publish such agreements. Many of the commitments with Japanese nationals, therefore, may never become known internationally unless the Japanese government forces their publication, and the Japanese delegates specifically objected to such compulsion. China was the first nation to register a secret treaty. On January 24, Mr. Hughes announced the receipt of a telegraphic summary from Peking of the Li Hung-chang-Lobanoff secret treaty of alliance between China and Russia of May, 1896. It appears to be fairly well established that this treaty was the second of two documents comprising the notorious Cassini Convention which first was published in the *London Daily Telegraph*, February 15, 1910.[2] The Russian representatives at Paris in 1918 are reported to have referred to the Lobanoff Treaty in support of Russian claims in Manchuria. This treaty is supposed to have been one of the direct causes of the Russo-Japanese War, having been negotiated after the expulsion of Japan from the Liaotung Peninsula in 1895. China relied upon its publication to prove that Japan is an intruder in Manchuria, and the object of the Conference in publishing this flagrant example

[1] *Current History Magazine*, March, 1922, p. 996.

[2] Gerard, M. A., *Ma Mission en Chine*, Paris, 1918, pp. 135–148, confirms the existence of this document. See, also, Bland, J. O. P., *Li Hung Chang*, New York, 1917, Chap. V. The text as submitted by the Chinese Delegation at Washington may be found in *Current History Magazine*, March, 1922, p. 998.

of the fruits of secret diplomacy was, by having China formally denounce it, to prevent any future Russian government from declaring its validity.

Japan presented three proposed modifications of the Twenty-One Demands, February 2, declaring (1) herself ready to throw open to the international consortium the right of option, granted exclusively to Japanese capital, to loans for the construction of railways in South Manchuria and Eastern Inner Mongolia ; (2) her willingness not to exercise preferential rights in questions concerning engagement by China of Japanese advisers or instructors on political, financial, military, or police matters in South Manchuria ; and (3) her readiness to withdraw the reservations to the effect that Group V of the original proposals would be postponed for future negotiation.[1] Dr. Wang vigorously sought revision of the Sino-Japanese Treaties of May 25, 1915, on the ground that they worked injustice on China, that they were forced on her, that Japan gave nothing in return, and that they were inconsistent with existing treaties between China and other powers, as well as dangerous to the peace between China and Japan. Accordingly, the Chinese delegates refused to accept the Japanese concessions as not touching the root of the difficulty, and reserved the right to again present the question upon some opportune occasion.

The final sessions of the Armament Conference were marked by a large number of positive achievements, including the approval of several important

[1] *Current History Magazine*, March, 1922, p. 1008.

treaties. The Committee on Pacific and Far Eastern Questions continued to function to the very end, adjusting all outstanding issues concerning China before the close of the last session, February 3, 1922. At the sixth plenary session of the Conference, February 4,[1] the Open Door Treaty was unanimously adopted, incorporating in treaty form the Root Resolutions and empowering any of the nations concerned, including China, to call a conference of the signatories[2] in case a situation arises which in the opinion of any of them involves the application of the stipulations of the treaty.

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[1] Washington Conference on the Limitation of Armaments, *Sixth Plenary Session*, Washington, 1922, p. 2.

[2] Belgium, China, France, Great Britain, Italy, Japan, the Netherlands, Portugal, and the United States.

CHAPTER IX

SEVENTEEN CONVERSATIONS

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CHINESE merchants and students in Washington gave vent to their indignation at the proposed negotiations by attempting to prevent the Chinese delegates from attending the meetings.[1] They intercepted some of the delegates and emphatically objected in an orderly manner, but were informed that the Chinese delegation was not entering into direct negotiations and that this was a case of "good offices" and not of mediation. It was explained that in the event of a deadlock American and British delegates might offer suggestions which, however, would not have the force of actual mediation or arbitration. Representatives of the Shantung People's Union in Washington declared that no decision of the negotiators unfavorable to the Chinese people would be approved at home and that no effort would be spared to obstruct any conclusion contrary to the wishes of the thirty-eight million persons involved in the award.[2]

The first Sino-Japanese meeting was held in the afternoon of December 1, 1921.[3] The Chinese

[1] *Current History Magazine*, January, 1922, p. 554.

[2] Formal Statement in *Current History Magazine*, January, 1922, p. 555.

[3] On this date a Korean Mission to the Conference on the Limitation of Armament presented an appeal for justice. Treaty obligations of all but one of the states present at the Conference to use their good offices in case Korea were oppressed were cited in an appended document. Absorption by Japan was declared not to be final because it was in violation of treaty stipulations and an act of oppression committed against a ountry which has sought no conquests and has injured none of its neighbors. Japan's claim that Korea

Republic was represented by Dr. Sze, Dr. Koo, Dr. Wang Chung-hui, and five secretaries. The Empire of Japan was represented by Baron Kato, Mr. Hanihara, Mr. Debuchi, and four secretaries. Mr. Hughes and Mr. Balfour attended the opening of the meeting, expressing the hope that "a fair and mutually satisfactory agreement" might be secured. Baron Kato arose to express his gratification at the opportunity thus presented, as Japan was looking forward to an early settlement. He explained that the term "Shantung question" was a misnomer, as the actual problem involved less than one half of one per cent of the total area of the province and that the difference of opinion between the two countries was "more apparent than real."[1] Dr. Sze likewise hoped for a just settlement of such a vital problem. Mr. Hughes and Mr. Balfour withdrew, leaving as observers Mr. J. V. A. MacMurray and Mr. Edward Bell for the United States and Sir John Jordan and Mr. M. W. Lampson for the British Empire. The conversations were to be carried on in English, Mr. Hanihara speaking for Japan, as Baron Kato was unable to speak English. It was agreed that the meetings be most informal, without selecting a chairman and that "as much publicity as

was needed to accommodate surplus population was shown to be unfounded in fact as there were (in 1922) about 20,000,000 Koreans in 84,400 square miles, or about 239 per square mile, and only 300,000 Japanese in permanent residence. In order to colonize Korea it would be necessary first to exterminate the inhabitants. Accordingly, the Korean people asserted their right to be heard by the Washington Conference. See United States Congress, *Korea's Appeal to the Conference on Limitation of Armament*, Senate Document Number 109, 67th Congress, Second Session.

[1] Japanese Delegation, *Minutes of the Conversations Between the Chinese and Japanese Representatives in Regard to the Shantung Question*, Washington, 1922, p. 2.

possible should be given to the proceedings of the meetings," all communiqués being supervised by Mr. Hanihara and Dr. Koo. A suggestion that the observers act as secretaries to record minutes was replied to by Mr. MacMurray, who thought that it would be more appropriate that such work be done by the secretaries of the respective delegations. It finally was decided that the American and British representatives should assist in completing the minutes. In view of the large number of meetings taking place at approximately the same time it was proposed by Kato that substitutes be permitted to state the views of their delegations. "The whole communications exchanged between Japan and China relating to the Shantung question" were taken as the basis of discussion, the meetings to be as frequent as possible and decided upon at each meeting.[1]

In the second meeting, December 2, Prince Tokugawa replaced Baron Kato. Dr. Sze reported the intimation from the French delegation that two French observers be admitted and asked for authority to grant the request, but Mr. Hanihara did not receive the proposal with enthusiasm.[2] After a few tactical remarks by both sides, it was agreed that existing facts and conditions rather than academic questions should constitute the basis of discussions. Then it became necessary to determine which problem should be approached first, several suggestions being advanced by both Chinese and Japanese. The choice finally fell upon the Shantung Railway, Hanihara stating that he was

[1] Japanese Delegation, *Minutes, etc.*, p. 5.
[2] *Id.*, p. 6.

unprepared to discuss other than the general aspects of the question. Japan had, in her note of September 7,[1] proposed joint Sino-Japanese control, but Dr. Koo declared that the Chinese government and people[2] attached the greatest importance to complete Chinese control, although "the idea of joint enterprise in general was not objectionable on theoretical grounds." China proposed adjustment on the basis of the Chinese note of November 4 which declined to accept the Japanese plan and offered to purchase half of the total amount of the value of the railway and its appurtenances. Mr. Hanihara recited some of the history of the question, beginning with China's request in 1918 for a loan of twenty million yen, which was granted with the understanding that Japanese capitalists should be permitted to finance proposed extensions of the Shantung Railway and that the administration of the railway itself should be undertaken by a joint Sino-Japanese company. In as much as China was obligated by the treaties of 1915 to approve whatever arrangement Japan and Germany might make as to the disposition of the property, the Japanese government considered that it was very generous to permit China to have half ownership. China had had no share in the German company and Japan had acquired possession of German property only "after considerable sacrifices in men and treasure," and public opinion in Japan must be considered as well

[1] For text, see Godshall, W. L., *op. cit.*, p. 127.
[2] It is doubtful whether the people of China as a body had any opinion on the matter.

as that in China. Dr. Koo suggested that it would simplify the proceedings if the incidents of 1915 and 1918 were omitted from the discussion, as those documents were the very ones which had aroused the most suspicion and misapprehension on the part of the people of China. It was best to approach the problem in hand from the point of view of mutual friendship and understanding. The loan to which reference had been made would be repaid in full, and of course private interests would be protected to the fullest extent. Mr. Hanihara again declared that Japan had advanced more than halfway to meet the Chinese viewpoint, and that it would not be fair for his country to make all the concessions. Dr. Sze interposed the observation that he, having had experience in the Chinese Ministry of Communications, was greatly interested in the effort to develop a unified railway system in China and that Japan's surrender of the Shantung Railway would make possible better shipping facilities as well as improve the relations between the two countries. Mr. Hanihara replied that his countrymen would not look upon the question in that light and that in view of the complicated nature of the matter it would be better to postpone its discussion until after easier problems had been settled. Dr. Koo acquiesced in this plan, but took occasion to express his inability to understand "how a power could rightfully acquire a property belonging to another power which was situated in the land of a friendly country without the consent of that friendly country."[1] Furthermore,

[1] Japanese Delegation, *Minutes, etc.*, p. 12.

joint enterprises only were successful, like matrimony, when both parties were willing to coöperate in a spirit of accord and not when they were forced into it. The customs administration, the foreign settlement and open cities, and public property were agreed upon as the agenda for the next meeting.

Introducing the subject of customs administration, December 5, Mr. Hanihara pointed out certain unique features of the Tsingtau customhouse under German control. The foreign staff was largely of German nationality; the German language was the official medium of communication and of keeping records; no duty was levied on goods intended for the German military organization; a free area was provided; and a fixed proportion of the revenues were paid to the German authorities. The Japanese government desired to make the Tsingtau customs an integral part of the Chinese system, admitting Japanese as one of the official languages and employing a "sufficient number" of officers versed in the Japanese language. Dr. Sze objected to admitting Japanese as an official language along with Chinese and English on the ground that any other state logically could demand a similar concession and also that Chinese and Japanese were so similar that Japanese traders would experience no serious difficulty in acquiring a sufficient knowledge of the latter for customs purposes. He pointed out that France never had made such a request, although many French people traded in China. The Japanese delegation felt that some special consideration was due their countrymen because of the preponderance of their trade at Tsingtau with every indication of

continuation.[1] After considerable discussion and parrying over the use of the Japanese language at the Tsingtau customhouse, the two parties were able to agree upon the recording in the minutes of the following statement:[2]

> Simultaneous y with the restitution of the leased territory of Kiaochow, the customhouse of Tsingtau [will] be made an integral part of the Chinese maritime customs, with the understanding (I) that the Chinese government make a recommendation to the inspector general of the Chinese maritime customs, with a view to permitting the Japanese traders at Tsingtau to communicate with the said customs in the Japanesc language; (II) that the Chinese government make a recommendation to the inspector general[3] of the Chinese maritime customs that in the selection of a suitable staff for the Tsingtau customs consideration be given within the limits of its established service regulations to the diverse needs of the trade of Tsingtau.

Thereupon Japan waived all the privileges formerly enjoyed by the Germans in respect to customs and consented to the abrogation of the Sino-Japanese provisional agreement of August 6, 1915, as soon as the new arrangement became effective. So much time had been consumed in discussing the customs administration that the two remaining questions listed for this meeting had to be held over.

Mr. Hanihara took occasion to issue a public statement[4] to correct American impressions of the Shantung situation. He denied that the Japanese overran the

[1] In 1919, Japanese controlled trade valued at $60,000,000 in a total of $87,000,000.

[2] Chinese Delegation, *Minutes of the Conversations Between the Chinese and Japanese Representatives in Regard to the Shantung Question*, Washington, 1923, p. 21. Japanese Delegation, *Minutes, etc.*, p. 21.

[3] This service is under international direction because of its relation to foreign loans.

[4] *Current History Magazine*, January, 1922, p. 557.

province and controlled the provincial government, the railways, and other activities. The charge that the twenty-seven hundred Japanese troops guarding the Kiaochow-Tsinanfu Railway were holding the entire region with its forty million Chinese people in subjection was considered a great compliment by Japan. The leased area included but five per cent of the total area of Shantung and was taken from Germany, not from China, for which Japan felt entitled to some compensation from Germany in the form of mining rights and the Shantung Railway. The failure of the railway or the mines to funct on would work equal hardship on Chinese and Japanese. Japan had agreed to withdraw the force of twenty-seven hundred men as soon as China provided guards to protect the railway. She agreed to return Kiaochow to China if that country would open it and other places along the railway to the trade and commerce of all foreigners. In the general conference the Japanese government had agreed to the policy of the "open door." In closing, Mr. Hanihara declared that the other matters in dispute in the question of Shantung were of insignificant importance, as the Chinese authorities were in control of Chinese affairs everywhere throughout the province.

Mr. Hanihara opened the fourth meeting on December 6 with an explanation of the Japanese position, stating that public property used for administrative purposes would, in general, be transferred to China after arrangements had been made for the maintenance and operation of public works. "Public property used for administrative purposes" consisted of

property originally Chinese but transferred to Germany in 1898, property acquired or buildings or works constructed by Germany, and property acquired or buildings or works constructed by Japan during Japanese occupation. The words "in general" were used advisedly, as Japan planned to retain a few premises for the use of the Japanese Consulate to be established in Tsingtau and for public schools, shrines, and a cemetery to be maintained by the Japanese community. "Public works," such as highways, parks, water pumping station, and sanitation equipment, should be transferred to China upon assurances being given of their satisfactory management, but enterprises such as electric power and telephone systems and the slaughterhouse should be sold to Chinese corporations with foreign shareholders.[1] Discussion at first centered about the properties to be retained by Japan, neither delegation having a complete list of public property in Tsingtau. Mr. Hanihara mentioned the public market, the headquarters of the Japanese Association, the Commercial Museum, the crematorium, and a few statues and cenotaphs, with the suggestion that a committee be selected to conduct an investigation on the spot in order to arrive at an agreement. Dr. Koo declared that the Chinese delegation could not accept the principle of compensation to be paid by China for the restoration of certain kinds of public property, although there evidently were classes of property which might reasonably be retained by Japan. Dr. Sze recalled American policy in Cuba, where much money

[1] Chinese Delegation, *Minutes, etc.*, p. 21; Japanese Delegation, *Minutes, etc.*, p. 23.

had been spent but no compensation had been asked by the United States, to which Mr. Hanihara replied that it had not been agreed to approach the Shantung question in the spirit of charity and philanthropy. The Chinese delegates expressed the opinion that Japan aimed to sell the properties to China instead of returning them, but Mr. Hanihara declared that he sought compensation only in cases where the Japanese government had been obliged to spend money. Recognizing the inability to come to an agreement concerning the public properties, attention was turned to public works. Dr. Koo stated that it was to China's interest to maintain them in proper condition, but Mr. Hanihara felt that some previous arrangement should be made to safeguard the interests of the foreign community at Tsingtau. The Chinese spokesman suggested leaving the matter to the Chinese local government, but the absence of knowledge as to the nature of such municipal government caused the Japanese to hesitate to accept the proposal. The discussion then returned to the question of compensation and Mr. Hanihara admitted that he was unable to state the exact properties involved. Dr. Koo remarked that for his government to agree to compensation without knowing the specific properties covered thereby would be like signing a blank check. As neither delegation had any further information on this point it was agreed to adjourn.

The following afternoon the conversations were resumed. Dr. Sze considered that the twenty per cent of the Tsingtau customs revenue which had been paid to the Japanese government annually since

1915[1] should be counted as compensation for public properties. After further disagreement on the subject of compensation the Chinese delegation offered to refund to Japan a proportion of the money spent by the Japanese government, the exact amount to be determined by taking into consideration the customs revenue above referred to, depreciation and continuing value. Hanihara could not agree to this proposal, as denying the application of the principle of compensation to the former German holdings, and was unwilling to recognize that the customs revenue had any connection with the value or ownership of property at Tsingtau. Mr. Debuchi declared that "the beautiful port of Tsingtau had not been built with the twenty per cent contribution of customs revenue made by China," and that both Germany and Japan had spent large sums of money in maintaining and improving the city, to which Dr. Sze responded that perhaps a monument ought to be erected on which it might be inscribed that the city owed much to Germany and Japan! In order to relieve the tense situation, the American and British observers suggested that the question of principle might be discarded in favor of a practical settlement. Mr. Hanihara stated that he would recommend to his government that the Japanese claim in regard to the German properties be waived, and Dr. Sze announced that his adherence to the Chinese offer to refund a proportion of the money spent by Japan on buildings and public works would be withdrawn should the

[1] Japanese Delegation, *Minutes, etc.*, p. 34; Chinese Delegation, *Minutes, etc.*, p. 23.

Japanese government decline to accede to the recommendation. The disposition of properties which the Japanese desired to retain was left to commissioners on the spot, as it was not possible to work out details in Washington. The principle to be followed by the commission was that such public properties as were used for the benefit of the general public should be transferred to the municipal government and those for the benefit of the Japanese residents more exclusively to be left in their hands.[1] Although no agreement had yet been reached concerning public works, substantial progress had been made before the meeting adjourned.

In reply to Dr. Sze's inquiry as to the status of such public properties as wharves, docks, and warehouses at the opening of the sixth meeting, December 8, Mr. Hanihara stated that his colleagues preferred to reserve those for discussion in connection with the Shantung Railway because of the intimate relationship existing between them. Reclaimed land was listed for consideration under vested interests. Certain lots were leased by the Japanese authorities to private individuals who erected thereon houses and factories, and it was desired that the lessees should be allowed to have the leases continued or to be permitted to buy the land. Concerning machinery in the dockyards, it was suggested that details be left to the commission to be appointed. Dr. Sze said that the salt industry presented a serious problem, as salt was placed under Chinese government monopoly, the

[1] Japanese Delegation, *Minutes, etc.*, p. 38.

revenue forming the security for various foreign loans. Consequently China wanted the salt fields reserved for her, with suitable arrangements for the export of Tsingtau salt to Japan. Detailed discussion of this point was postponed and Mr. Hanihara presented for confirmation two decisions which had been reached on December 7, as follows:

> It is agreed that with reference to properties acquired or buildings or works constructed by Japan during the period of Japanese occupation a fair and equitable proportion of the moneys actually expended by Japan on such properties, buildings, or works shall be refunded, provided that consideration be given to the principle of depreciation and continuing value.
>
> It is agreed that such public properties as are required for the benefit of the general public shall be handed over to the municipal government of Tsingtau and those required for the Japanese Consulate to be established there, as well as those required more especially for the benefit of the Japanese community, such as schools, shrines, cemeteries, and other buildings of similar nature should be left in the hands of the Japanese, and that details be worked out on the spot.[1]

Mr. Hanihara said that he desired to make it clear that the properties to be retained by Japan might be either former German properties or properties acquired by or buildings constructed by the Japanese. In discussing the future administration of public works in Tsingtau the Japanese delegation aimed to secure some guarantee that foreign interests would be protected and have some voice in the management of the enterprises. Specifically, Mr. Hanihara proposed that the foreign community should be represented in some municipal organ which should control the public works.

[1] Japanese Delegation, *Minutes, etc.*, p. 41; Chinese Delegation, *Minutes, etc.*, pp. 23, 24.

Before adjournment both delegations were very nearly in accord in this respect.

On December 9 two meetings were held, one in the morning and the other in the afternoon. Dr. Koo objected to binding his government to any particular form of foreign representation in the municipal government of Tsingtau, as he thereby might compromise the principle of administrative integrity. Whatever the form, it was desired that the foreign community be permitted to take an equitable part in the supervision of the public works in question. Accordingly the two delegations reached an agreement: [1]

> The Chinese delegation give an assurance to the Japanese delegation that in the management and maintenance of the public works in Tsingtau, such as roads, waterworks, parks, drainage, sanitary equipment, etc., handed over to the Chinese government by the Japanese government, the foreign community in Tsingtau shall have fair representation.

In response to Japan's proposal to convert the slaughterhouse, the telephone lines, and the electric power plant into private enterprises with Chinese and foreign shareholders, Dr. Sze declared that the expenses of the municipal government could be met to a considerable extent by the profits of these industries if operated as public enterprises. This would result in reduced taxation and thereby directly benefit the large Japanese community, as well as all residents of Tsingtau. Mr. Hanihara proposed to meet the financial aspect of the problem by levying appropriate taxes on the

[1] Japanese Delegation, *Minutes, etc.*, p. 46; Chinese Delegation, *Minutes, etc.*, p. 25.

corporations, or, as was being done in Tokyo, by granting licenses and requiring royalty payments into the treasury. Dr. Koo proposed that these particular activities had better be continued under municipal direction, as they had been during the German and Japanese régimes; but the Japanese felt that the situation was different, because the German administration had been primarily a military one and the Japanese administration had been but temporary. In reply to the Chinese desire to extend government supervision over the telephone system, through the medium of the Ministry of Communications Mr. Hanihara contended that Tsingtau was in a special position because of Japanese interests. He proposed that Chinese and Japanese should own an equal number of shares, with other foreigners together owning a like amount if they wished, emphasizing the fact that ninety per cent of the telephone subscribers in Tsingtau were Japanese, whose interests must be safeguarded. The Chinese delegation offered to yield on the question of the slaughterhouse and stockyards if the Japanese would concede municipal control of the power plant and the telephone service. Seeing that a deadlock threatened, Sir John Jordan, the English observer, proposed that the electric power service might be turned over to a joint company, as it had no national complications. Before adjournment, Dr. Koo agreed to this concession.

The eighth meeting opened on Friday afternoon, December 9, with a continuation of the discussion concerning the Tsingtau telephone administration.

An agreement finally was reached to the effect that[1]

> enterprises relating to electric light, telephone, stockyard, laundry, etc., shall be handed over to the Chinese government with the understanding that these enterprises are, in turn, to be handed over to the municipal government of Tsingtau, which will form Chinese corporations in conformity to the Chinese company law to manage them under municipal supervision and regulation.
>
> As regards the telephone enterprise which is to be handed over to the Chinese government, the Chinese delegation give an assurance that the Chinese government will give due consideration to requests from the foreign community at Tsingtau for such extensions and improvements as may be reasonably required by the general interests of the public.
>
> The Japanese delegation agree to turn over the telephone enterprise to the Chinese government, subject to confirmation by the Japanese government.

Mr. Hanihara declared that this arrangement in no way prejudiced the interests of foreigners other than Japanese. The Chinese desire to include cables in the above-mentioned agreement was not gratified, Mr. Hanihara insisting that they should be discussed separately at a later time. Discussion was then directed towards the opening of Tsingtau as a port. The Japanese delegation associated with this problem that of vested rights, meaning all rights lawfully acquired either during German times or under Japanese administration. This point provoked difference of opinion concerning Japanese acquisition of land in and about Tsingtau, the Chinese delegation contending that the owners were coerced into selling land at unreasonably low prices. It was proposed that the matter be left to the joint commission, but that if it

[1] Japanese Delegation, *Minutes, etc.*, p. 54; Chinese Delegation, *Minutes, etc.*, p. 25.

failed to agree the entire case should be submitted to arbitration. Mr. Hanihara objected to making any distinction between vested rights lawfully acquired by foreigners under German régime and claims originating during Japanese military occupation and was unwilling to admit arbitration to a purely Sino-Japanese affair. The salt industry was advanced as a concrete example of vested rights which were of great importance to China, having produced two hundred seventy million pounds annually under Japanese control. Any special privileges accorded Japanese operators in Shantung would react unfavorably upon the industry elsewhere in China, and therefore the Chinese urged that no exception be made in this case and that the Tsingtau salt fields be placed under the Chinese government monopoly. Mr. Hanihara declared that the Tsingtau fields never had been a source of revenue for China because of the opposition of the people in that locality, and that it was unfair to take what the Japanese had developed. There was no intention to send any of the Tsingtau product into other parts of China, but Japan urgently needed this salt and Japanese rights should be respected. In restoring Kiaochow to China the Japanese government desired to retain for its nationals things which would not injuriously affect the interests of China but which were vitally important to the Japanese people. If it was proposed that Japan should give up everything found within the leased territory there would be no need for her representatives to negotiate. The Chinese monopoly never had applied to eastern Shantung. No agreement was reached before the meeting closed.

The ninth meeting[1] of the two delegations was devoted mainly to a discussion of the status of the Shantung Railway, the salt question being laid aside for a time. Dr. Sze explained that China was endeavoring to unify her railway system, with standardized accounts, equipment, and service. Separate administration of the various railways entailed greater expense of operation and repairs which resulted in higher charges for service. Accordingly, he advocated the inclusion of the Shantung Railway in this plan instead of attempting precarious joint administration as proposed by Japan. Koo supplemented these remarks with an offer to reimburse the Japanese government to the extent of half of the total value of the line, not including mines which had been operated by the Shantung Mining Company. Baron Shidehara remarked that as Japan was obligated to pay to Germany the whole value of the railway and would only realize half that sum by this plan, the Japanese government would lose the balance outright. The Reparation Commission in Paris was engaged in estimating the probable value which was expected to total thirty million yen, Japan to pay that sum to Germany and to receive from China only fifteen million yen. Dr. Koo stated that he had not been aware that Japan would be expected to pay Germany and that his proposal would need revision in view of this fact and as Chinese shareholders[2] would have to collect from the German government instead of from Japan or China. He had thought that Japan had occupied

[1] December 10, 1921.

[2] There were believed to be 360 shares valued at 1,000 marks each in the hands of Chinese investors. Chinese Delegation, *Minutes, etc.*, p. 35.

Tsingtau and taken possession of the railway to prevent their being used by Germany during the war and not that a desire for material benefit had been present. Baron Shidehara replied that Japan had acquired possession from Germany and would be obliged to make payment, and, furthermore, had spent a great deal of money in repairs. The Chinese delegation thereupon proposed to pay to Japan the total value of the railway minus whatever profits had been realized by the Japanese administration. In reply to this Baron Shidehara declared that he had no figures showing the profits of the railway; but a short time later, in the same session, Mr. Hanihara said that the Japanese delegation could produce the figures for the revenue of the line. The Japanese were unwilling to accept the second Chinese proposal, because Japan would not get anything thereby and would be obliged to refund the profits in the form of subtracting them from the amount which China should pay. In order to have a concrete basis of discussion at the next meeting, it was agreed that the Chinese delegation should present a written proposal for consideration.

Before continuing the railway discussion at the meeting of December 12, the Japanese delegation inquired whether the Chinese offer to give compensation to the Japanese people engaged in the salt industry in Shantung included willingness to defray the expenses incidental to winding up their business and prospective profits and in what form the payment would be made. The Chinese characterized the term "prospective profits" as being too vague, there being no time limitation mentioned. Neither party was prepared

to submit any definite proposal, and again the matter was shelved. Then Dr. Sze suggested that China should take over the Shantung Railway and all appurtenances within six months of the date of ratification of the forthcoming agreement, the Chinese government to reimburse Japan for the amount decided upon by the Reparation Commission. The plan would be financed by a bond issue at five per cent payable semiannually and redeemable in full or in part at any time upon six months' notice.[1] Mr. Hanihara asked whether China would not be willing to compensate the Japanese government for improvements in addition to the sum paid to the German government. Dr. Sze thought that Japan would be more than satisfied with the increased facilities and reduced costs resulting from the incorporation of the Shantung Railway into the Chinese government railway system and that "a kind friend would not let his friend pay more than he had paid." Mr. Hanihara replied that they had agreed to negotiate on the basis of facts, and that the actual value of the line was greater than the price of thirty million yen[2] set by the Reparation Commission because of added improvements. Dr. Koo stated that there probably would be no objection to admitting the Japanese claim if at the same time profits and the Chinese shares in the railway also were admitted, as such improvements as had been made should have been paid for out of the profits. The Japanese delegation resolutely refused to take this view of the matter,

[1] Chinese Delegation, *Minutes, etc.*, p. 36.
[2] 53,406,141 gold marks. Four marks approximate one dollar (gold) United States currency.

and another deadlock threatened, Shidehara declaring his inability to discard the plan which the Chinese government had accepted in 1918 unless a suitable alternative plan could be devised. However, the Japanese agreed to examine the Chinese proposal with great care and to offer further comments the next afternoon.

On December 13, both delegations agreed to withhold the question of mines appurtenant to the railway for future consideration. Concerning wharves and warehouses[1] the Japanese government would expect China to pay for whatever improvements had been made but not for the properties as relinquished by Germany. The Chinese feared that they would have no use for the Japanese barracks and radio stations and therefore Japan should not expect compensation for such property. Baron Shidehara assured Dr. Sze that he had no intention of asking for payment for anything no longer of value, including railway equipment as well. Dr. Sze suggested as a general principle to be applied that the Chinese government agree to pay Japan the value of the railway as determined by the Reparation Commission plus the value of improvements, but taking into consideration depreciation and continuing value, the value of the improvements in no case to exceed ten per cent of the reparation value.[2] Baron Shidehara pointed out that a limit of ten per cent was too arbitrary. The Chinese delegate agreed that it was arbitrary, but, in the absence of a Japanese statement of the value of improvements made, some

[1] Known as godowns in the vernacular of the Far East.
[2] Japanese Delegation, *Minutes, etc.*, p. 88.

plan had to be devised so that his colleagues could estimate the probable total cost to China. Baron Shidehara stated that he would secure data from Tokyo. China desired some special arrangement in the interests of Chinese shareholders, but Japan declared that under the Versailles Treaty the Reparation Commission had imposed upon Germany the obligation to reimburse such investors and that therefore it was impossible for Japan to do so. Dr. Sze conceded that, as China was not the legal owner of the railway until some agreement to that effect had been made, the Japanese government could not be expected to refund whatever profits had accrued during Japanese operation. A brief exchange of views concerning the practicability of floating a loan to supply funds for the Chinese plan of purchasing the railway outright was followed by an attempt to summarize the understandings which had been made thus far concerning compensation for railway properties. Baron Shidehara declared that so far there was no agreement, but that what had transpired had served to clarify some things. Mr. Hanihara suggested that in order to accelerate the progress of the discussion it would be better to take up easier problems, returning to the question of the railway with a perspective of the entire question. Dr. Sze declined to agree unless the points threshed out so far were to form the substance of an agreement. The Japanese declared that they must have a few days in which to consider the situation, and that in the meantime other problems should be taken up in order not to waste time, to which Dr. Koo replied that he and his colleagues were continuously under great pressure from China to reach

an understanding on the question of the railway and that an early agreement was mandatory. It would be best to discontinue the conversations until the Japanese government had cabled specific instructions. Baron Shidehara feared that a temporary lapse in the discussions might create the impression that they had failed. Finally it was decided to meet the next day, Baron Shidehara suggesting that "the Japanese delegation might perhaps be able to define their position more fully, more explicitly."[1]

At the opening of the twelfth meeting,[2] Baron Shidehara announced that he could present a substitute for the original Japanese proposal of joint enterprise, subject to approval from Tokyo. After some discussion the first two paragraphs of his plan were accepted in the following form:[3]

> (1) Japan to transfer to China the Tsingtau-Tsinanfu Ra lway and its branches, together with all the properties appurtenant thereto, including wharves and warehouses and other similar properties, it being understood that the question of the mines appurtenant to the railway shall be set apart for separate consideration. The said transfer to be completed as soon as practicable and not later than nine months after the coming into force of the agreement of the whole Shantung question.
>
> (2) China to pay to Japan the actual value of the Tsingtau-Tsinanfu Railway properties, consisting of the sum of 53,406,141 gold marks, or its equivalent, which is the assessed valuc of such railway properties as were left behind by the Germans, plus the amount which Japan, during the period of her administration of the railway, has actually expended for permanent improvements on and additions to the railway properties, less a suitable allowance for depreciation. It is understood that no charge will be made for transfer to China

[1] Japanese Delegation, *Minutes, etc.*, p. 97.
[2] December 14, 1921.
[3] Chinese Delegation, *Minutes, etc.*, p. 39.

> of wharves and warehouses and other similar properties, mentioned in the preceding clause, except for such permanent improvements on and additions to them as may have been effected by Japan, less a suitable amount for depreciation.

Two objections were raised by the Chinese delegation to the Japanese proposal for a Sino-Japanese joint commission as stated. Dr. Koo wanted to make it clear that the valuation of properties of this commission was to be confined to improvements of and additions to the railway properties. His second objection was that no provision was made for procedure in case the members of the commission disagreed among themselves. This could be remedied by the inclusion of experts of some neutral nationality to be chosen with the mutual consent of Japan and China. Thus in cases of honest difference of opinion between the two sides there would be facilities at hand for impartial judgment and advice. Baron Shidehara objected to this on the ground that it was unnecessary and would give the impression that disagreement was anticipated. He thought it best to leave it to the two governments to take action if differences arose. The Japanese also were opposed to the Chinese alternative suggestion of submitting disputes to arbitration as "it did not look nice that complications should be anticipated from the beginning." No progress was being made on this subject, so attention was directed to the third Japanese proposal, that "to cover the payment . . . China [should] conclude a loan agreement with Japanese capitalists on the basis of the terms embodied in railway loan agreements of comparatively recent dates which she had entered into with various foreign

capitalists." Dr. Koo remarked that the question of a loan would not arise should China be able to reimburse Japan in cash. Baron Shidehara frankly stated that "Japan desired to retain certain interests in the railway to the same extent as various foreign capitalists had in regard to various Chinese railways."[1] The Japanese government did not desire cash payment. The Chinese explained that the policy of their government was not to resort to more foreign loans than absolutely necessary and that Chinese bankers had indicated their willingness and ability to supply the funds. Both delegations emphasized the great difficulties of their positions and the meeting adjourned.

On December 15, Dr. Sze stated that no decision had been reached regarding the inclusion of foreign experts in the Sino-Japanese joint commission or the matter of submitting disputes to arbitration. Dr. Koo observed that the functions of this body should be stated broadly and that an expert of a third power should be appointed in advance so as to meet all possible contingencies. With regard to the functions, Dr. Sze stated that a clear distinction must be drawn between improvements and replacements such as the repair of broken windows or the replacing of worn-out cars. Baron Shidehara responded that only technical matters would be submitted to the commission, all others being decided by the two governments. The Chinese contended that the very word "technical" would be likely to cause disagreement as to its scope, but it was mutually understood that all political or

[1] Japanese Delegation, *Minutes, etc.*, p. 108.

administrative matters should be settled by the two delegations or their governments and not by the commission. The Chinese conceded the point of arbitration and of selecting experts in advance in exchange for Japanese approval of "an expert or experts of a third power or powers," the agreement being:[1]

> A Sino-Japanese joint commission shall be appointed for the purpose of arranging all matters of detail connected with the transfer of the Tsingtau-Tsinanfu Railway properties, or with the valuation of permanent improvements on or additions to such properties, as provided in the agreement signed this day.
>
> Should the joint commission fail to reach an agreement on any of the matters intrusted to its charge, the points at issue shall be taken up by the two governments for discussion and adjustment by means of diplomacy.
>
> In the determination of such points, the two governments shall, if necessary, obtain a recommendation of an expert or experts of a third power or powers, who shall be designated in mutual agreement with each other.

Dr. Sze restated his proposal for cash payment by China and Dr. Koo asked to be informed why Japan should be particularly anxious to retain an interest in the railway. Baron Shidehara explained that his government was desirous of avoiding discrimination against Japanese in comparison with the interests in many cases held by other foreign nationals in Chinese railways. The Japanese delegation was confronted with grave difficulties because of the many concessions to China which it already had made, and even this proposal was subject to referendum at Tokyo. Dr. Sze was unable to comprehend how the Japanese government could consider itself discriminated against in the matter of railway loans when its financial interests

[1] Chinese Delegation, *Minutes, etc.*, p. 40.

already held many Chinese railway loans aggregating in amount 21,600,000 yen. Only one foreign country was interested more heavily. He assured the Japanese that China would see that all facilities were afforded their countrymen, but foresaw severe criticism at home should he consent to a foreign loan when a domestic loan was possible. Baron Shidehara rejoined that he also would be forced to meet criticism if he failed to protect and safeguard the commercial interests of Japan and to retain a certain interest in the railway. Despite his country's clear title to the properties under discussion he and his colleagues first had conceded joint ownership and now advanced even further to meet China with a proposal to restore all property rights to China. As the Chinese government was experiencing difficulty in meeting some of its current obligations it seemed rather strange that the Chinese delegation should expect to be able to pay cash. If China insisted upon the purchase of this railway, it would be difficult for the Japanese people to escape the conclusion that China did not like Japan to have any interest in it. Dr. Koo argued that China's sole purpose was to remove all possible causes of future misunderstanding between the two countries, having in view the larger interests of both. Again the Japanese referred to the fact that other nationals held an interest in many Chinese railways and that China's debt was far from being paid off, to which Dr. Sze declared that that was all the more reason why no more foreign loans should be contracted.

Dr. Koo opened the fourteenth meeting on December 16 with a modified proposal to pay for the railway in

six installments at intervals of six months throughout three years. The first payment should be in cash, the others in treasury notes secured on the revenues of the Tsingtau-Tsinanfu Railway with interest at a reasonable figure. The Chinese government would pledge itself not to practice any discrimination against the traders of any foreign nation.[1] Baron Shidehara remarked that this plan differed from its predecessor only in that it was more favorable to China by extending the term of payment. Apparently the Chinese delegation had not understood that Japan only desired to retain a certain interest in the line, China to possess full control, full ownership, and full operation. The Japanese had come halfway from their first proposal and now were expected to advance halfway from their compromise position, thereby conceding three fourths to China. Three distinct features of Chinese railway administration were distinguished. First, no responsibility was assumed for the loss of goods. In the second place, the distribution of cars was influenced by corruption. Third, military authorities and individual soldiers frequently interfered with proper operation of trains. For these reasons it had become customary for foreign interests to request the appointment of foreign accountants, traffic managers, and chief engineers, and Japan would like to suggest a similar arrangement for the Shantung Railway. This would in no way interfere with Chinese administration and control, nor with the unification of government railways. Dr. Koo said that the very fact that

[1] Chinese Delegation, *Minutes, etc.*, p. 41.

conversations were being devoted to the railway indicated that the legal status of the line was uncertain. Recent regulations accepted responsibility for shipments and adjusted the apportionment of cars. The installment plan had been devised so as to permit Japan to retain a considerable interest in the property for a period of three years. Baron Shidehara thought that the term of installments would be too short and pressed the Chinese delegation to express willingness to engage Japanese in the posts of chief engineer, traffic manager, and accountant. He also proposed to have the period fixed on the basis of the terms generally accepted in relation to railway loans with various foreign capitalists. Dr. Koo reiterated the fact that this railway was not on the same basis as others which were longer, the construction of which took more time, and the amounts of the loans covering which were larger. The Japanese pointed out that forty-five years was the average period for railway loans of comparatively recent dates and proposed that from that average be subtracted the length of time which already had elapsed in the case of the Shantung Railway (twenty-two years), leaving twenty-three years yet to run. The Chinese delegation in turn suggested that a compromise might be effected on the basis of ten years with the understanding that any time after three years all the remaining unpaid portion of the sum could be paid on certain suitable notice.[1] It was hoped that the Japanese would recognize the reasonableness of this plan, it having been prompted

[1] Japanese Delegation, *Minutes, etc.*, p. 130.

by the sincere desire on China's part to meet Japan's wishes. Baron Shidehara stated that he was not prepared to come to any decision at that time, but that they might discuss with profit the engagement of Japanese officials. Dr. Koo said that the shorter the period of the loan the more would he and his colleagues be disposed to consider that question. It was decided to consult financial experts on the question of the loan before proceeding further, the meeting adjourning thirty minutes ealier than usual.

When the delegations reassembled, December 17, Dr. Koo announced that his financial advisers favored cash payment as most convenient for both Japan and China. Baron Shidehara mentioned the fact that interest on the loan of 1917, which was due the Yokohama Specie Bank, December 1, 1921, had not been paid, causing considerable inconvenience for the bank, and wondered why the Chinese government was so eager to pay cash for the Shantung Railway when so many outstanding debts were left unpaid. Dr. Koo replied that his government desired to contract as few foreign loans as possible. In the present case Chinese bankers stood ready to assist in paying cash for the railway, but in other instances it had not been possible to attract Chinese capital and foreign capital was the only alternative. Furthermore, the cash payment plan would relieve Japanese financiers of any worries such as those occasioned by the 1911 loan to which Baron Shidehara had referred. Turning to the Chinese proposal of the preceding meeting, the Japanese expressed doubt as to the exact implication of the term "treasury notes," fearing that it

necessarily indicated a short-term loan, but they were put at rest by the statement that the Lee-Higginson loan, in which the term was used, was for thirty years. The only financial arrangement which was acceptable was a definite loan agreement between the Chinese government and Japanese capitalists, the Japanese government preferring to take no direct part in the transaction. In order to safeguard investors the term of extra redemption, after which China would have the option of redeeming the whole outstanding liability, should be fixed at ten years, and the term during which the loan was to run should be, in round numbers, twenty years. The Japanese officials previously enumerated should be appointed by the Chinese government upon the recommendation of the Japanese capitalists. Dr. Koo was at a loss to understand why Japanese capitalists would invest in a Chinese loan in view of their disappointment in the case of the Specie Bank loan. In the second place, China desired to take advantage of domestic capital whenever possible, spreading the payments over three years to avoid any appearance of discrimination against Japan. The employment of the Japanese officials in high posts would give the impression that Japan wanted to retain a substantial portion of the control of the railway. Baron Shidehara maintained that it would be most difficult to explain why China could pay cash when she so desired and yet could not meet even the interest on loans. A three-year term would be of no value to Japanese investors. The experts to be employed would serve as assistants to Chinese officials who would be in actual control. This last remark

was interpreted by the Chinese to indicate that as the three officials were not to be in controlling positions Japan would no longer insist upon their appointment as proposed, but Baron Shidehara at once declared that his government attached great importance to the posts. The Japanese delegation then inquired whether China would consider a loan by Japanese capitalists instead of issuing treasury notes, stating that the form of financing must be determined before the term could be set. Dr. Koo said that the difficulty with the loan proposal was in making suitable explanations to the Chinese bankers, although he conceded that Japan might retain a financial interest in the railway. This led Baron Shidehara to explain that treasury notes held by the Japanese government would be a source of misgiving in China as implying a continued control, and that it would be much better to float a loan through Japanese bankers to avoid such misunderstanding. Dr. Koo declared that a debt of the Chinese government to the Japanese government would be understood, and that as the installments were paid China would acquire increasing control, but the desire of Japan to retain an interest in the railway was quite another matter. It was thought best for each delegation to reconsider the question over the week-end, as each was proceeding so largely on its own responsibility and beyond its instructions. It was hoped that some satisfactory compromise might be effected which would be acceptable to the respective governments upon being referred to them for approval.

The Chinese delegation appeared Monday afternoon, December 19, with a third proposal to extend the

term of the loan to twelve years. The Japanese offered to accept five years instead of three as the term of extra redemption if China would consent to the appointment of three Japanese experts recommended by capitalists.[1] Three years would be too short and the Japanese people "might think that their delegates had been fooled." Dr. Sze explained that his colleagues often had considered suggesting five years for redemption and five years for the term of the loan, but that they could not explain satisfactorily to their people why the period of redemption should be more than three years, and therefore in deference to the Japanese viewpoint they had added two years to their proposal of ten years as the term of the loan. Upon Baron Shidehara's suggestion, they again took up the question of the form of the loan and the Japanese officials. Dr. Sze stated that the plan of his government was to incorporate the Shantung Railway with the Tientsin-Pukow Railway for the sake of efficiency and economy. This would avoid the necessity of employing double staffs of high officials and would insure proper management in the interests of Japanese traders. Expressing his desire not to place any obstacles in the way of the unification of the Chinese railways, Baron Shidehara proposed that Japanese experts be employed for the Shantung section. The Chinese recalled that the experiment previously tried in China of having district managers had proved unsatisfactory, and it had been found desirable to centralize the control. The Japanese delegation then suggested that a general traffic manager

[1] Chinese Delegation, *Minutes, etc.*, p. 44.

be chosen for the combined lines of the Tientsin-Pukow Railway and the Tsingtau-Tsinan Railway, with a Japanese assistant traffic manager to be responsible for the Shantung branch only. This would not disturb the unification plans of China and would promote efficiency. Dr. Sze did not feel the necessity for any special experts for the Shantung Railway, but as a matter of compromise he suggested the appointment of a Japanese chief engineer. It was desirable to curtail expense as much as possible, he said. This was unacceptable to the Japanese, as the engineer would be concerned only with maintenance and not with traffic. The expenses incidental to the posts would be met by increased efficiency. Dr. Sze remarked that one of his experts had just passed him figures showing the great expense involved in the appointment of an extra chief engineer, and that he was afraid that postponing a decision would result in the production of more figures which would make his position most difficult. Accordingly, he proposed that the delegates should recommend the connection of the Tientsin-Pukow Railway and the Shantung Railway at the earliest moment with a view to the efficiency and economy of the service and that a Japanese chief engineer be employed on the latter section.[1] Baron Shidehara observed that of the three points which had held up proceedings on Saturday a virtual settlement of the questions of treasury notes and of the period of the loan had been reached. All that remained was to settle the matter of Japanese experts. It was not his intention to press

[1] Japanese Delegation, *Minutes, etc.*, p. 153.

the point concerning the chief engineer, but he must insist upon the posts of district traffic manager and district chief accountant as a fair compromise on both sides. "Japan's only consolation would be that her concessions would not have been made in vain if China should come to appreciate the sincerity of her desire to promote the happiest relations between the two neighboring nations in the Far East."[1] Dr. Koo replied that that spirit was well appreciated, but that as the traffic manager would be called upon to deal mostly with Chinese people he should be Chinese. On the other hand, there was no objection to a Japanese expert in the technical post of chief engineer. Baron Shidehara suggested that if no satisfaction could be secured on the point of the traffic manager, he and his colleagues might not be able to persuade the Japanese government to accept Chinese treasury notes in payment. The question was of great importance to Japan in order to insure efficient service. He had no idea of bargaining on the matter, and if the Chinese delegation refused to accept Japanese expert assistance there was nothing to do but to reconsider the entire problem. He asserted that in his opinion the Chinese had not yielded at all on the point of the period after the expiration of which China could exercise her option to redeem the whole liability, while the Japanese delegation had made repeated concessions. Dr. Koo thereupon offered to give six months' notice of intention to pay off the outstanding amount at the expiration of three years after the agreement, so that the period

[1] Japanese Delegation, *Minutes, etc.*, p. 154.

of redemption would be extended to three and one-half years.[1] Mr. Hanihara declared that the question of period did not in itself amount to so much, so long as no satisfaction was given in regard to the enlistment of Japanese expert assistance. Dr. Sze remarked that the Chinese had "explored all possible avenues" to meet the Japanese wishes. The discussion terminated with an agreement to think over the matter until the next day.

The seventeenth meeting was opened by remarks by Dr. Sze in which he stated his regret that the Chinese delegation felt unable to accept the Japanese traffic manager, although not from lack of desire to do so on the part of certain individual members. Baron Shidehara wondered whether it would not be possible to meet the Chinese point of view by appointing a Chinese district traffic manager and a Japanese associate district traffic manager, both under the general control of the Chinese traffic manager for the entire system.[2] This did not meet with approval, and the conversation suddenly turned to cash payment. Baron Shidehara inquired whether China would pay the entire sum into a bank of a neutral power prior to or at the time that the process of transferring the railroad should begin, which bank should pay the amount to Japan as soon as the transfer was completed. The Chinese delegation replied that such a plan would necessitate great loss of interest for the Chinese government, the bank only paying three or five per cent for nine months, while bankers would realize ten or twelve

[1] Japanese Delegation, *Minutes, etc.*, p. 157.
[2] *Id.*, p. 160.

per cent by using the money themselves meanwhile. Furthermore, the money market would not be shaken by gradual recalling of loans by bankers to meet the payments. Baron Shidehara explained that, should it happen that when only a small piece of railway property was left the cash payment could not be effected, Japan would be placed in a very awkward position. Dr. Sze thought that some arrangement might be made whereby the Chinese government would make a deposit before the completion of the transfer. One practical difficulty was that no one could know on the date of the transfer exactly what amount should be paid, but Baron Shidehara said that the transfer would not begin until the joint commission had completed its valuation. The Chinese delegation fully appreciated the Japanese point of view and proposed that certain sums be deposited at certain intervals according to the progress of the transfer of the railway property,[1] but Mr. Hanihara felt that should the actual transfer be started and payments subsequently suspended it would be very difficult to discontinue the transfer of the remaining part. Therefore it was most desirable that there should be some assurance that the Chinese government would carry out the payments. Dr. Sze then suggested that payments be divided into three periods. At the end of the first three months following the conclusion of the agreement two fifths of the whole sum should be deposited in a bank of a third power. Another fifth would follow at the end of six months, and the remainder would fall due nine months

[1] Japanese Delegation, *Minutes, etc.*, p. 162.

from the date of the agreement.[1] Again the Japanese were not certain that the Chinese bankers would make the necessary deposits after the first. Mr. Hanihara desired some security in case of default. In the event of a monetary crisis in China the Japanese government would find itself in an embarrassing position. Although China would lose a small amount in interest under the plan of depositing the whole sum, that was unfortunate but unavoidable. Baron Shidehara reviewed the two Chinese proposals of immediate payment and of installments over a period of twelve years with an option of purchase after three and one-half years. Neither was acceptable.

Dr. Koo took occasion to summarize the situation to date. In regard to the question of the transfer of the railway property they had arrived at an understanding on the basis of the Japanese suggestion to prolong the period from three to nine months. The Chinese had relinquished their position in regard to profits during the Japanese administration, as well as in regard to Chinese shares. Again, the Chinese delegation had gone far to meet the Japanese viewpoint on the question of improvements upon and additions to the properties. Having made these concessions, an agreement had been reached concerning valuation, China had proposed arbitration in the event of difficulties in the joint commission over the transfer and valuation of the railway properties, but had accepted the plan of recourse to

[1] Chinese Delegation, *Minutes, etc.*, p. 45.

diplomacy with such expert assistance from a third power as might be agreed upon. Only one question remained. The Chinese delegation had proposed cash payment; but, in order to meet the earnest desire of Japan to retain interest in the line, China had suggested a three-year period of payment, using treasury notes secured upon the revenues of the Shantung Railway. This period was claimed to be too short, and his associates had extended it to ten years and then to twelve. It was understood that the Japanese would be inclined to accept a twelve-year period and payment by means of treasury notes if agreement could be reached concerning the employment of three Japanese experts in the posts of traffic manager, chief accountant, and chief engineer. China was willing to concede the appointment of a Japanese chief engineer who was experienced in Chinese railway work, preferably selected by the Chinese government. In order to show good faith and to indicate an earnest desire to meet the Japanese views, a further proposal had been made to effect payment through periodical deposits. Consequently, the only existing divergence of views in the case of payment in installments was as to whether a Japanese associate traffic manager or a Japanese district engineer should be appointed; and in the case of cash payment the difference centered around the question of making deposits. The Japanese delegation insisted upon the deposit of the total sum before the transfer should be started, while the Chinese proposed to make gradual deposits through a period of nine months while the transfer was being completed.[1]

[1] Chinese Delegation, *Minutes, etc.*, p. 46.

Baron Shidehara replied to Dr. Koo's summary by pointing out that the period of nine months had been agreed upon only tentatively, in as much as it was a technical question determinable only by railway experts. He could not agree with the Chinese view that payment for improvements and additions was a concession to Japan ; rather it was a natural arrangement in which China would pay for whatever permanent improvement had been made. The Japanese delegation also had gone very far in making concessions. His government attached great importance to the posts of traffic manager and chief accountant. As China was not prepared to agree to this plan, the Japanese delegation had gone to the limit of its powers. The negotiations should be directed towards other problems, while both sides awaited instructions.[1]

The Chinese delegation expressed surprise that their Japanese friends had not been communicating with Tokyo. It had been necessary to take up the discussion of the railway because of pressure upon the Chinese delegates, and it might not be wise to proceed to other questions while any uncertainty existed as to the outcome of the most important problem. Baron Shidehara declared that it had not been possible to keep his government informed until he understood the exact nature of the Chinese proposals, although he of course had submitted reports of the conversations. He only thought that a suspension of the meetings might create unfounded rumors that no agreement was possible. In all probability, some

[1] Japanese Delegation, *Minutes, etc.*, p. 167.

instruction from Tokyo would provide a reasonable basis for continuing the deliberations. Dr. Sze thought that a change in the subject under discussion would arouse similar incorrect impressions among the Chinese people. After a short exchange of views it was decided to suspend the conversations until such time as the Japanese delegation had received specific instructions from Tokyo. The last of the first group of meetings adjourned at 6:30 P. M., December 20, 1921.

In view of the frequent protestations by both delegations of the number and extent of concessions which they had made in order to reach a common ground of understanding, it will be interesting to examine the discussions and agreements of these first seventeen conversations. The Japanese claimed that their willingness to admit China to joint ownership and control in the matter of the railway was a concession from their legal right to retain the entire line intact. From a strictly legalistic point of view this argument is impregnable, as the Treaty of Versailles conferred certain rights upon Japan to the disadvantage of China. But the Versailles Treaty is hardly an irreproachable document. Many of its provisions are unjust. "Legal" is usually defined as "lawful." The primary purpose of law is justice, and propositions which are unjust should not be masqueraded as lawful or legal. The Shantung articles of the treaty were inserted under the pressure of secret notes[1] circulated in 1917 which were decidedly out of keeping with the principles of peace[2] to which both Allies and the

[1] For text, see Appendix X.
[2] For text, see Appendix IX.

Central Powers subscribed in 1918. The same legalistic interpretation holds that the more recent commitments supersede their predecessors. Hence, by using this argument, it is possible to charge a breach of international custom in the insertion of the Shantung clauses. A concession from a position which is insecure in the light of day is not so great. Furthermore, this proposal had been advanced by Japan in September, 1921,[1] and not for the first time in the conversations. In fact, it was advanced as a first suggestion, and therefore hardly can be called a concession. A genuine concession was made by the Japanese delegation in offering to sell the railway properties to China, provided Japanese interests were retained to a sufficient extent. Again, in the matter of admitting experts to give advice in case of disagreement among the members of the Sino-Japanese joint commission, the Japanese made a very real concession, as they probably were not eager to permit outside influence to enter into the valuations. Concessions were made in the length of the period of the proposed loan, but up to the close of the seventeenth meeting no agreement had been reached on this point and consequently the exact nature and extent of these cannot be included in this summary.

At the second meeting early in December the Chinese were obliged to forgo their evident desire to include a French observer as well as an American and an English one because of Japan's objection. This certainly was not an important matter and probably had no effect upon the deliberations; but, nevertheless,

[1] Godshall, W. L., *op. cit.*, p. 127.

it was a concession. With respect to the customhouse at Tsingtau, China conceded recognition of Japanese as an official language against her wishes and better judgment. A large number of public buildings in Tsingtau were left in Japanese hands. A fuller account of these is given in the chapter dealing with China's opportunity properly to administer and develop a promising port. The Chinese delegation felt obliged to concede joint Sino-Japanese ownership and operation of the Tsingtau slaughterhouse and stockyard and of the electric power plant there. In estimating the amount which should be paid for the railway properties China abandoned her claim to include profits which had accrued to the Japanese government during the period of operation and the value of shares in the original company held by Chinese investors. Although profits logically would be expected to be partially diverted to defray the cost of improvements and additions and therefore should have been deducted from the total cost of such improvements made during Japanese administration, the Japanese government collected not only the profits but also the amount expended for those purposes. The German government was expected to reimburse the Chinese shareholders. The Chinese desire to submit disputes arising in the joint commission to arbitration and to provide for the selection in advance of experts of third powers as members of the commission were conceded to Japan in exchange for Japanese assent to experts at all. Other concessions regarding the term of the loan and the method of payment do not fall within the scope of this chapter, as final agreements had not yet been reached.

CHAPTER X

NEGOTIATIONS RESUMED

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AFTER the Japanese delegates received renewed instructions from Tokyo the interrupted conversations were resumed, January 4, 1922. Baron Shidehara expressed his pleasure at being able to continue consideration of the question of the Shantung Railway. His government was anxious to find a speedy and satisfactory solution of the problem and accordingly would be willing to agree to the plan of a railway-loan agreement which had been proposed by the Japanese delegation on its own responsibility in deference to the Chinese objections to the original Japanese plan of joint enterprise. This concession was the farthest Japan could go and the only remaining way was for the Chinese delegation to reconsider the whole matter. To Dr. Sze's inquiry whether this offer was a final one Shidehara replied that he did not want to say that, as nothing was final between friends. Dr. Sze then expressed his disapproval of the action of Mr. Obata, the Japanese minister in Peking, who had called upon the Chinese minister for foreign affairs and had demanded a categorical answer whether or not the Chinese government was prepared to accept the plan of a railway-loan agreement in settlement of the Shantung question. Apparently the Japanese delegation had not taken the Chinese delegation fully into its confidence and had failed to inform the

friendly observers representing the United States and Great Britain.[1] The Japanese spokesman explained that there appeared to be certain misunderstanding as to what had taken place in Peking between the Chinese and Japanese representatives. The Japanese minister had simply intended to ask the attitude of the new cabinet of China on the Shantung question, expressing the hope that a speedy answer would be given. Such inquiries were but natural in order to ascertain the views of the new officials. Nothing was said in an unfriendly spirit. The Chinese delegation thereupon endeavored to secure from their Japanese colleagues a specific statement of the reasons for Japan's insistence upon a railway-loan agreement and a statement of the objections of the Japanese government to the two plans proposed by China. In reply to Baron Shidehara's assertion that his government wanted only an ordinary railway-loan agreement Dr. Sze pointed out that the Chinese deferred-payment plan was based on the terms of the Tientsin-Pukow Railway. Baron Shidehara said that he had in mind railway loans of a more recent date, whereupon Dr. Sze stated that one of his proposals contained terms even more favorable to Japan than those of the Kirin-Hueining Railway loan of very recent date. Although some difficulty had been experienced in coming to a final agreement on this latter loan, it was entirely due to the desire of the Japanese to effect certain changes in the provisions of the preliminary agreement. Baron Shidehara

[1] Chinese Delegation, *Minutes, etc.*, p. 49.

admitted that he was not familiar with that loan contract and that he particularly had in mind some loans of 1913 and 1914. Dr. Sze suggested that as the loan arrangement had been advanced by Japan because of alleged inefficient management and operation of the Chinese railways he had had prepared by Chinese experts a comparative study of the Kirin-Changchun Railway and others under purely Chinese management and of Japanese and Chinese railways so far as statistics were available.

Dr. Sze then proceeded to read a statement[1] reviewing the positions taken by the two sides and the proposals advanced by each. He characterized as unjust the Japanese demand for the appointment of important Japanese officials as the price for the acceptance of the Chinese proposal of deferred payment and the Japanese insistence upon the payment of the total amount by China into some specified bank before the transfer should be begun. A traffic manager has control over the character of service rendered shippers and of the rates charged them. Thus, the Japanese would retain considerable control over the revenues of the line and would have in their possession a powerful weapon of possible commercial warfare, permitting unlimited economic exploitation of the territory served by the railway to the disadvantage of Chinese merchants. Such a plan would be inconsistent with the avowed intention and desire of the Japanese government in returning the railway to China. The Tientsin-Pukow Railway agreement was satisfactory

[1] Japanese Delegation, *Minutes, etc.*, p. 182.

to all parties and had served as a model for subsequent contracts, including that with Japan for the construction of the Kirin-Hueining line. By these terms the Chinese government engaged to appoint a chief engineer who, during the period of the loan, should be a European; but in the case of the Shantung Railway the Chinese strained a point by consenting to appoint a Japanese to this post.

Turning to the charges of relative inefficiency, Dr. Sze drew attention to the Kirin-Changchun Railway, which was under Japanese management. The percentage of revenues absorbed by operating expenses was sixty-nine on the Kirin-Changchun Railway, as compared with forty-eight on the Tientsin-Pukow Railway, a most favorable showing for Chinese management. The passenger fares were considerably lower and freight rates were more than fifty per cent lower on the latter line. Operating expenses were found to be in the ratio of almost three to one in favor of the Tientsin-Pukow Railway.[1] The trains on the Chinese line carried twice the number of tons and fifty per cent more passengers than those on the Kirin-Changchun Railway, but the fuel consumption per train kilometer was one third lower than that on the Japanese-managed line. It had been stated that the inefficiency of Chinese railways was to be found in the large number of workmen employed compared with the amount of work to be done, yet on the Tientsin-Pukow Railway there were 14.2 men per kilometer of line and on the Kirin-Changchun line the average

[1] $5.70 per 1,000 service units (ton kilometer and passenger kilometer) and $15.75.

was 19.4. Comparing the South Manchuria Railway with the Peking-Hankow Railway, in 1919 the operating expenses of the former absorbed over forty-five per cent of the gross revenues in contrast with thirty-four per cent on the Chinese line. The net revenues of the South Manchuria Railway represented a return of less than sixteen per cent on the property, while on the latter system they represented a seventeen per cent return. Taking into consideration Chinese government railways as a whole and Japanese government railways as a unit, in China only forty-eight per cent of the total revenues was required to pay operating costs, while in Japan fifty-nine per cent was required. The net revenue of the Imperial Japanese Government Railways represented a return of 7.8 per cent on the property, whereas the net revenue of the Chinese railways represented a return of 9.2 per cent on the investment. The number of employees per kilometer per line averaged slightly higher in Japan. Given sufficient time to develop traffic, the Chinese railways should become as efficient as any.

Upon the establishment of the Republic in 1912 the Chinese government embarked upon a comprehensive and vigorous program of increased railway construction and improved management. Within three years contracts for nearly ten thousand miles were let, but the contractors have been unable to raise the necessary funds. Each of the fourteen existing lines in 1912 was operated without coöperation with any other. This condition was remedied by instituting through tickets and convenient connections. Interchange of rolling stock has been effected to a

considerable degree and a clearing house has been established in the Ministry of Communications to take care of interline matters. Conferences of operating officials have been held looking toward a standardization of rules and states. Physical standards, such as the size of cars, clearances, and gauge, have also been put into effect. The accounting systems have been standardized with uniform classifications covering capital, revenues, expenses, income, profit and loss and balance sheet accounts. A system of annual reports was installed. Splendid as has been the financial and physical performances of the Chinese railways when compared with the railways of other countries, these performances will be improved as administrative standardization proceeds. The Chinese delegation denied the insinuation of inefficiency, which had been made against Chinese railway management, and thought that such insinuation must have been made without a full knowledge of the facts. Only when the best Japanese lines were compared with the worst Chinese railways did any advantage to the Japanese appear. Every reason existed for the desire of China to make the Shantung Railway prosper, as, for every Japanese it served, hundreds of thousands of Chinese would be served. However, more than mere dollars and cents were involved, as the Chinese government felt that a challenge to its ability for efficient management had been issued. Satisfaction of Chinese aspirations in this matter were declared to be fundamental to any betterment in the relations between China and Japan.

Further discussion arose between the two delegations concerning their respective proposals for the transfer of the Shantung Railway. Both sides appeared to be obdurate, each declining to approve the plans advanced by the other. The Japanese declared themselves to be unable to discuss any deferred-payment plan or payment by treasury notes, insisting upon what they called an "ordinary loan agreement." In reply, Dr. Sze offered to devise some way of surmounting the objections to the treasury notes, as well as those which had been raised in connection with cash payment by China.

At the opening of the nineteenth meeting on the afternoon of January 5, 1922, Dr. Koo stated that he and his associates had given very careful consideration to the Japanese proposition but were unable to see any way in which they could overcome the difficulties which confronted them. However, in order to bring the discussion to an early close he would make further concessions. The Japanese delegates had expressed a desire for a single deposit instead of three deposits to be spread over nine months while the transfer of the railway properties was being completed. The Chinese delegation would be willing to agree to one single deposit on a specific date, leaving Japan to decide whether it should be made before or at the time of the beginning of the transfer. If the Japanese still found the cash payment unacceptable, another concession might be made substituting another kind of security for the treasury notes. This new security was to be notes of Chinese bankers. Baron Shidehara

asked for a reëxplanation of Chinese objections to the railway loan agreement. Dr. Koo gave four reasons for his opposition. First, Chinese bankers had offered to provide the necessary funds and it would be difficult to explain to his countrymen the assumption of a foreign loan. Second, the Shantung Railway was a unique enterprise, having been in operation for many years. There was no precedent for contracting a loan agreement under these circumstances. Heretofore such loans had been floated only for the construction of new lines. Third, the Chinese government had issued definite instructions to adhere to one of the Chinese alternatives. Fourth, misgivings would arise in China. The settlement would intensify rather than quiet the points of difference between the two countries.[1]

Baron Shidehara then outlined his position. First, the Shantung matter had a long history. Japan had made repeated concessions from her original claim that she was entitled to full ownership and operation. Compromise on each side was necessary in order to bring the question to a satisfactory close. Second, the difference in status between the Shantung Railway and other lines in China emphasized the modesty of Japan's proposal. It never had belonged to China. Although already built, it was then in Japanese hands, and therefore Japan should be able to dispose of it as she chose. Third, the Japanese delegates were bound by explicit instructions from Tokyo. Fourth, should the

[1] Chinese Delegation, *Minutes, etc.*, p. 50.

Japanese delegation accept one of the Chinese proposals, inevitable misunderstanding would burst forth in Japan on the question of why Japanese capitalists were placed in a less favorable position in relation to Chinese railways than that allowed to other nationals.[1] Dr. Koo declared that the fourth point made by Baron Shidehara was not valid, as Chinese bankers were to provide the money. Only when financiers of some other nationality were asked to finance the railway properties would the question of unfavorable treatment arise. The Japanese declared that the point at issue was whether deferred payment or loan should be accepted. If the former were decided upon, the terms would have to be adjusted. Baron Shidehara also took exception to the Chinese view that the offer of bankers' notes was a concession from the former offer of treasury notes. Dr. Koo announced that if the Japanese delegates would be prepared to waive the idea of a Japanese loan, the Chinese delegates would be ready to consider any suggestions of the basis of the plan of deferred payment in general harmony with the substance of existing railway-loan agreement. Baron Shidehara was unable to give a definite response without consultation with his colleagues and the meeting adjourned.

January 6[2] the Japanese delegation stated that it had been unable, after serious consideration, to agree to any plan other than the fundamental proposal of a loan agreement unless that of joint enterprise were acceptable to China. In order to present the Japanese

[1] Japanese Delegation, *Minutes, etc.*, p. 190.
[2] Twentieth meeting.

position in more concrete form the following terms were suggested: first, the period for which the loan was to run should be fixed at fifteen years, while China should have an option for redeeming the outstanding liability, upon six months' notice, after five years from the date of the agreement; second, a Japanese traffic manager and chief accountant should be engaged in the service of the Shantung Railway; third, the details of the final arrangement should be worked out later on at Peking between the representatives of the two parties to the agreement.[1] In view of the explicit instructions received by telegraph from Tokyo it was not possible to agree to the Chinese proposal to invite the good offices of Mr. Hughes and Mr. Balfour.

Dr. Koo expressed deep regret that after so many meetings and such long discussions the Japanese delegation should revert to the question of the Japanese loan. A great deal of labor had been spent on the two alternative plans advanced by China and the Chinese delegates had been hoping that much progress had been made. Instead, the two delegations were drifting further apart. In view of Japan's inability to accept the formula proposed on January 5 the Chinese felt constrained to withdraw it and again advance the two former plans: cash payment with a single deposit or deferred payment through a period of twelve years with an option upon six months' notice to pay all remaining liabilities after three years, with the understanding that China should appoint a Japanese district engineer for the period the loan remained unpaid.

[1] Japanese Delegation, *Minutes, etc.*, p. 197.

The Chinese had no hesitation in inviting the good offices of Mr. Hughes and Mr. Balfour; and he trusted that it was not Baron Shidehara's intention to intimate that their assistance would not be welcomed at any stage of the conversations, although it might not be necessary to take that step at the present juncture. Baron Shidehara raised the question whether the original offer of good offices still held, or whether it had been renewed at the present difficult stage of the conversations. Dr. Koo explained that the offer as originally made was continuous,[1] quoting from the Japanese minutes of December 1 Mr. Hughes' statement that "he was in full accord with Mr. Balfour in offering his services whenever needed."[2] Baron Shidehara was satisfied with this documentary information and stated that the situation now was very clear. Each delegation had definite instructions from its government and could not accept the proposals of the other. The Japanese delegation was not in a position to request the good offices of Mr. Hughes and Mr. Balfour. The difficulty which presented itself was to find some mutually satisfactory arrangement, for which purpose it might be well to meet again on January 9.[2]

By diplomatic tactics Dr. Sze drew Baron Shidehara into a position where he could not object to the presence of the American and British statesmen, whereupon Mr. MacMurray suggested that before Mr. Hughes and Mr. Balfour were asked to participate formally in the conversations the two sides should take occasion informally to discuss the matter with those two

[1] Japanese Delegation, *Minutes, etc.*, p. 200.
[2] *Id.*, p. 2.

gentlemen. The Japanese indicated that while they of course had no objection to their presence they could not extend an invitation to them to attend. Sir John Jordan then suggested that he and his colleagues should report to their respective chiefs, upon their own responsibility, the situation which had developed, and let them decide for themselves what should be their attitude. This suggestion was accepted immediately by Dr. Sze, but Baron Shidehara again urged that the conversations should be adjourned to Monday, January 9, expressing his hope that some satisfactory solution might yet be found. He feared that Mr. Hughes and Mr. Balfour might be embarrassed by an invitation from one side which was not heartily indorsed by the other, although of course he had no objection to their presence if they chose to attend. Time was needed in order to smooth out the difficulties which had arisen, and perhaps he might be able to make new proposals. By Monday the negotiators might be wiser. Dr. Koo stated that his associates felt that the Japanese delegates had not been able to move forward a single step to meet the Chinese delegates. The latter had been making concessions, but their ingenuity had been exhausted. Accordingly, he doubted whether it would be best to set a definite date for the next meeting. It was the intention of the Chinese delegation to inform Mr. Hughes and Mr. Balfour of the situation and to secure their views, if possible. Then the Chinese could notify the Japanese delegates of the date for the next meeting. Baron Shidehara desired to avoid a public announcement of the suspension of the discussions, in order to prevent public

sentiment from making a solution even more difficult, in reply to which Dr. Sze remarked that it would be necessary to issue a full statement in order to quiet the popular suspicions. A joint statement was published by the two delegations outlining their respective proposals and the simple declaration that none of the plans was acceptable to both parties.[1]

Meetings were resumed on January 11 for the consideration of other questions, the railway problem having been referred to the home governments for instructions. Sze suggested that the salt question be taken up, recalling that on the tenth of December Mr. Hanihara had agreed to secure advices from Tokyo on this point. Mr. Hanihara stated that when the question was discussed last the Chinese delegation had proposed fair compensation to the Japanese capitalists and had offered to give assurance of the continued exportation of salt to Japan. The Japanese proposition had been that China should recognize the vested rights of the Japanese nationals and allow them to continue in their enterprise. His delegation was still communicating with Tokyo in an effort to arrange some mutually agreeable adjustment and therefore was not prepared to discuss the matter at the moment. Dr. Sze wondered how much salt Japan might need from China, but the Japanese were not able to furnish exact estimates, although they declared that nothing unreasonable would be requested. Dr. Sze said that he had been informed that Japan consumed fifteen million piculs of salt annually, of which only eight million piculs were

[1] Chinese Delegation, *Minutes, etc.*, p. 58.

produced in the country. Therefore she had to import seven million piculs, but Tsingtau could supply only five million piculs.[1] Perhaps the Chinese government might be able to find some means by which to supply the remainder. These figures were based on Japanese statistics, but it was desirable to have them confirmed officially, so that the Chinese government could have exact information in its consideration of the matter. Baron Shidehara pointed out that the shortage of salt in Japan would vary from year to year according to climatic conditions. This portion of the discussion was concluded by observations that the salt question had better be confined to Tsingtau.

It was agreed that questions easy of solution should be taken up first, in order to be able to announce progress at the end of the meeting. Therefore it was found expedient to discuss the withdrawal of Japanese troops stationed along the Kiaochow-Tsinan Railway. Baron Shidehara suggested that the troops be withdrawn as soon as possible after Chinese police had taken over the protection of the railway. The Chinese forces thereupon would become entirely responsible for the full protection of the railway as well as of the persons and property of foreign residents. The Japanese garrison at Tsingtau should be withdrawn in the same manner.[2] Dr. Sze stated that China had sufficient forces ready for such duty, including troops and guards from other railways. Baron Shidehara explained that at that time there were approximately twenty-five hundred Japanese soldiers on duty in

[1] Japanese Delegation, *Minutes, etc.*, p. 209.
[2] *Id.*, p. 210.

Shantung, of whom eighteen hundred were railway guards. It was necessary to take into consideration shipping facilities necessary to convey those troops back to Japan, and nine months might be tentatively decided upon, during which time the withdrawal could be effected section by section. Dr. Sze thought nine months too long for the withdrawal of such a small number of soldiers and suggested thirty days as the time limit. Baron Shidehara said that it would be very difficult to effect the withdrawal within thirty days of the signing of the agreement, particularly as China might not be able to undertake the protection of the line within that time. Many minor matters also must be arranged beforehand. It was simply a matter of practicability and the Japanese had no intention of prolonging the stay of the troops. As China could not replace the guards in one day, it would be better to arrange for the withdrawal as Chinese guards were installed. Dr. Koo then presented a formula specifying withdrawal to Japan within a number of days to be determined by the delegations, the Chinese government to provide adequate forces to protect the railway and its branches. Baron Shidehara thought that this implied an indefinite interregnum between the withdrawal of the Japanese and the installation of the Chinese guards during which period the property would be without protection. Dr. Koo explained that the Chinese forces would be on hand immediately. It was not desirable to have both forces on the same ground simultaneously, because of possible complications and unpleasantness. He advocated fixing dates at this time, leaving the exact

hours to be left to local arrangement. The Japanese agreed to the idea of setting specific dates but declared that it was not possible to have the necessary steamer accommodations available for the transportation of troops to Japan at a stated time. Naturally it would be necessary to keep the men at Tsingtau for several days before embarkation. Dr. Koo remarked that the Japanese government ordinarily was so efficient that he could not understand any inability to make adequate plans beforehand so that there might be no delay at Tsingtau.

Baron Shidehara then suggested the following arrangement. First, upon the coming into force of the present agreement the Chinese government will, as soon as possible, send a sufficient number of police force to take over the protection of the Tsingtau-Tsinanfu Railway, the Japanese troops being withdrawn immediately from such sections as shall have been taken over by the Chinese. Second, it is understood that in the sections of the railway in which the Chinese police force shall be functioning the Chinese authorities shall be responsible for the full and efficient protection of the railway as well as of the persons and property of foreign residents. Third, the dates of the withdrawal of such troops shall be arranged in advance between the two governments, but in no case shall the complete withdrawal extend for any period longer than . . . months from the date of the coming into force of the present agreement.[1] In response to the Chinese observation that no mention

[1] Japanese Delegation, *Minutes, etc.*, p. 214.

was made of the withdrawal of the Japanese troops from Tsingtau, Baron Shidehara added a clause proposing their withdrawal within thirty days from the date on which the transfer of the administration of the leased territory was completed. Objection was raised to Dr. Koo's suggestion concerning withdrawal on the ground that it included Japanese police forces as well as troops. Baron Shidehara drew a distinction between railway guards, or gendarmes, and police, stating that the Far Eastern Committee of the Conference was engaged in considering the problem of police to be attached to the Japanese Consulate at Tsingtau. It was agreed to meet again that afternoon in an effort to complete some phases of the discussion.

The twenty-second meeting opened at four o'clock. Baron Shidehara announced that there were twenty-seven hundred men stationed along the railway, nine hundred of whom were located at Tsingtau. Of the twenty-seven hundred troops, three hundred were classed as gendarmes. Both delegations presented new drafts of proposals for the withdrawal of all these soldiers, the principal point of difference being the date upon which the withdrawal should be completed, the Chinese desiring to have it completed not later than the date of the coming into force of the present agreement and the Japanese suggesting six months thereafter.[1] Dr. Koo feared that an awkward situation would result should the Japanese troops remain after the date of the transfer of the administration. Protection of the properties was assured by the presence of

[1] Japanese Delegation, *Minutes, etc.*, p. 218.

Chinese forces, in accord with all existing Sino-Japanese treaties, and there was objection to the insertion of such a clause as desired by Japan. He mentioned a note sent to the Chinese government, January 19, 1920, by Mr. Obata, the Japanese minister in Peking, declaring that the Japanese government had no objection to withdrawing its troops even before reaching an agreement on the Shantung question. Dr. Sze inquired whether Japan would be willing to withdraw her soldiers should the Chinese government announce its intention of sending two thousand men to the railway zone within ten days, but Shidehara remarked that that was rather an academic question. The Japanese military authorities thought that it might be possible to recall the troops within six months, but that one month was too short. Without coming to an agreement on this point, the conversation turned towards the clause concerning protection of Japanese nationals and property. Baron Shidehara agreed to the omission of such a clause, provided a distinct understanding were entered in the minutes. In connection with withdrawal from Tsingtau after the transfer, the Japanese pleaded difficulty of providing transports for the men at any particular time. Both sides finally agreed to limit Japanese military occupation to thirty days after the transfer of the administration of the leased territory. Returning to the withdrawal from the railway line, Baron Shidehara declared that his military experts insisted upon six months' time. Dr. Koo wished to make it clear that the agreement also should apply to Japanese troops stationed at the mines, in order that all would

understand that no soldiers should be left in any part of Shantung. This point was to be inserted in the minutes by mutual agreement, the final settlement of this question of the withdrawal of the Japanese soldiers being embodied in the following terms :[1]

> The Japanese troops, including gendarmes now stationed along the Tsingtau-Tsinanfu Railway and its branches, shall be withdrawn as soon as the Chinese police or military force shall have been sent to take over the protection of the railway.
>
> The disposition of the Chinese police or military force and the withdrawal of the Japanese troops under the foregoing provisions may be effected in sections. The date of the completion of such process for each section shall be effected if possible within three months, and in any case not later than six months from the date of the signature of the present agreement.
>
> The Japanese garrison at Tsingtau shall be completely withdrawn simultaneously, if possible, with the transfer of the administration of the leased territory to China, and in any case not later than thirty days from the date of such transfer.

In order to expedite the business, the two delegations had adopted the policy of holding two meetings daily. Thursday morning, January 12, 1922, the discussion centered about the proposed extensions to the Shantung Railway. The Japanese claimed certain rights in relation to construction of the Yentai-Weihsien Railway and of the Kaomi-Hsuchow and the Tsinan-Shunteh extensions. Dr. Sze said that in the case of the Yentai-Weihsien line the people of Chefoo had expressed their wish to build the line themselves with funds raised locally. The Shantung Chamber of Commerce had passed a resolution to that effect and a company was being organized. No cash had as yet been raised, but pledges had been given. Baron Shidehara stated that he had understood that in

[1] Japanese Delegation, *Minutes, etc.*, p. 229.

August, 1913, the Chinese Ministry of Communications had decided, in view of the bearing of this line upon Chinese diplomatic relations and of the large expenditure involved, that the government had best construct the railway itself. Dr. Sze declared that circumstances had changed since then, and that no objections would be interposed by the government if the local merchants could supply the money. Baron Shidehara replied that, according to the treaty of 1915, Japanese capitalists were to be given the opportunity of financing this line; but if Chinese interests were definitely planning to undertake it themselves without foreign aid, the Japanese government would not insist upon its clear rights in the case. Dr. Koo proposed that concessions for the other two projects be granted to an international financial body in which Chinese and Japanese capitalists would both be represented.[1] The Japanese delegation pointed out that on September 24, 1918, the Chinese government had entered into a contract with the Industrial Bank of Japan for the construction of these extensions by the Japanese banking group and that upon the formation of the international financial consortium representatives of the Japanese banking group had stated that they would be willing to pool those concessions with the consortium. Dr. Sze said that his government had no official knowledge of what had taken place in New York on that occasion, as no Chinese were present. Any understanding to which China was not a party was not binding upon the Chinese government. Dr. Koo

[1] Japanese Delegation, *Minutes, etc.*, p. 233.

remarked that such concessions originally granted by the Chinese government could not be transferred without its consent. In as much as the Japanese bankers already had turned over their concessions to the consortium, all that remained was for China to complete the arrangement. In deference to the Japanese objections to the use of certain words, Dr. Koo agreed to modify or change them. The Chinese government and the consortium, however, had not been able to reach a definite understanding, and the Chinese delegates did not feel able to commit their government to any arrangement with the financial group by that particular name. Chinese capitalists should be included in the international group which should be formed in this connection. After further examination of phraseology, the delegates approved the following agreement:[1]

> It is agreed that the concessions relating to the two extensions of the Tsingtau-Tsinanfu Railway, namely, the Tsinan-Shunteh and the Kaomi-Hsuchow lines, will be thrown open for the common activity of an international financial group on terms to be arranged between the Chinese government and the said group.

The opening of the port of Tsingtau occupied the attention of the diplomats during the twenty-fourth meeting.[2] Dr. Sze explained that the greater part of the leased territory was on the Tsingtau side of Kiaochow Bay, leaving only a small strip of land around the bay. For administrative purposes it would be inconvenient to include this strip in the open port of Tsingtau. There was no road connecting

[1] Japanese Delegation, *Minutes, etc.*, 237.
[2] January 13, 1922.

this region with the city and it had never been developed, its chief value to the Germans having been defense. Baron Shidehara admitted that he had no knowledge of the locality but felt that the far shore of the bay might become important in the future and could be connected with Tsingtau by means of ferry boats. Accordingly, it should be included in the open port. Dr. Sze stated that there were no villages there and that such a provision would entail unnecessary expense for the administration. As the Japanese seemed inclined to insist upon including the entire bay shore in the open port, Dr. Koo said that it would be difficult to afford adequate protection to persons who might establish residences there. Baron Shidehara said that as under the German régime foreign residents had been permitted to settle on the far side of the bay he hoped that China would continue this practice. No reasoning advanced by the Chinese could convince the Japanese delegates of the unreasonableness of their position and the question was temporarily abandoned in order to proceed with a discussion of the opening of other towns and cities in Shantung. Dr. Koo declared it to be the purpose of his government to select suitable places for foreign trade, but it was not advisable to enter into any definite agreement on this point. Tsinan had been opened by China upon her own initiative and the foreign community there was well satisfied with the municipal government. In response to the desire of Japan that some public declaration be made, Dr. Koo offered to recommend to the Chinese government that an appropriate pronouncement be published simultaneously with the

main body of the proposed treaty. Baron Shidehara stated that his purpose was to obtain some assurance that Japanese residents along the railway would not be expelled. He preferred putting such assurance in the form of a supplementary agreement similar in form to the declaration made by Japan supplementary to the American-Japanese treaty of commerce, which had been signed by Japan alone and was not part of the treaty. Nevertheless, it served to regulate Japanese emigration to America and went with the said treaty. Dr. Koo agreed to present such a declaration as might be desired by Japan if that country would not insist upon the naming of the places to be opened. It would be impossible to mention specific places without consulting the government of China which would cause delay.

Returning to the extent of the open port of Tsingtau, the Chinese yielded to the Japanese wishes with the request that the Japanese consular authorities would coöperate with the Chinese authorities in exercising special control over the Japanese who might desire to live on the left-hand side of the Bay of Kiaochow. Baron Shidehara agreed to this proposal and the settlement was recorded in the minutes.[1] Thereupon Dr. Koo proposed that the former leased territory of Kiaochow be opened to foreign trade in accordance with the established precedent of self-opened ports. The Japanese spokesman was not familiar with that precedent and suggested that China should institute a special municipal system whereby the foreign

[1] Japanese Delegation, *Minutes, etc.*, p. 244.

community should be given a fair representation in the administration of Tsingtau. This did not meet with the approval of the Chinese delegation, because it was felt to be very inadvisable to commit the Chinese government and people to any definite system of local government in any part of China before the question of a general system throughout the country had been decided. It was not yet certain what system would be adopted in China. Baron Shidehara replied that China eventually would adopt a system, as in all countries in Europe and America, as well as Japan, of opening the whole country for foreign residence and trade. When that time came, the foreign communities would merge into Chinese local units; but until then it was better to institute a special municipal system in which the foreign community should have fair representation. This was not intended to be a permanent arrangement. In 1895 and 1896 Japan concluded treaties merging foreign settlements into the general municipal system of Japan, only the Japanese subjects having a voice in the local administration. Dr. Koo stated that the foreign community in Tsingtau already had been given fair representation in the management and maintenance of public works. In some of the treaty ports foreigners had special rights in the municipal administration, but the status of self-opened ports was different. Sir John Jordan took occasion to inquire how the Chinese delegation could consistently refuse foreign representation in the general administration of Tsingtau after having agreed to that principle in relation to the public properties. It was found to be impossible to reach any agreement,

as the Chinese were unwilling to admit foreign participation in the municipal administration of Tsingtau. Accordingly, it was agreed to adjourn until the following morning.

Dr. Sze opened the twenty-fifth meeting, Friday morning, January 13, with the observation that, as it was considered desirable to allow the foreign community some voice in the local government so long as extraterritoriality continued to exist in China, his colleagues had prepared a new formula which surely would meet with approval because of its generous terms. This plan recommended to the Chinese government, pending the enactment of general laws regulating the system of local self-government in China, that the Tsingtau authorities be instructed to ascertain the views of the foreign residents there in such municipal matters as might directly affect their welfare and interests, such as the levy of taxes for local purposes, the adoption of sanitary measures, and the expropriation of lands for the building of municipal roads.[1] Baron Shidehara requested the Chinese delegation to communicate with Peking in order to make sure of approval of this proposal. He then introduced his own draft to the effect that appropriate provisions should be made for permitting foreign communities to have a fair representation in the deliberation of municipal matters, more especially with regard to roads, waterworks, sewage works, and sanitary measures.[2] Dr. Koo saw great similarity in the two proposals but stated that he purposely had avoided the word

[1] Chinese Delegation, *Minutes, etc.*, p. 15.
[2] Japanese Delegation, *Minutes, etc.*, p. 252.

"representation" because the form of municipal government had not been decided upon and the word implied some sort of local election and exercise of franchise. The present discussion involved much more than the agreement reached on December 9 concerning public works. The making of plans must be different from the execution of plans already determined. Baron Shidehara said that he had used the word "deliberation" to convey the idea that foreigners were to exercise no executive function. They would take part only in the deliberations without any executive authority. Dr. Koo suggested that the process of ascertaining the views of the foreign community might take the form of a conference, although his idea was not to preclude any particular method or to limit the method of securing the foreigners' viewpoint. The Japanese inquired whether it was the intention of China to terminate whatever special system might be instituted at Tsingtau upon the adoption of a uniform system of local self-government throughout the republic. This was the desire of the Chinese delegates, but they felt that such a development would not materialize very soon. Baron Shidehara pointed out that difficulty might be encountered in collecting taxes without the coöperation of the foreign community, particularly under the system of extra-territoriality, to which Dr. Koo replied that if foreign residents desired to be consulted in municipal affairs, they should, in fairness, pay the taxes and that the foreign governments should require their nationals to discharge their obligations. Japan was unwilling to concede that the status of the foreign community

in Tsingtau should be subject to alteration merely by the enactment of general municipal laws by China and suggested that that phrase be changed to "pending further arrangement to the contrary." The Chinese felt that this would prevent their government from instituting a general system of local self-government without the approval of foreign powers.

The discussion then turned to the question of the taxation of foreigners in Tsingtau, the consent of their respective governments being prerequisite. Dr. Sze declared that apparently the budget of Tsingtau would have to be approved by twenty-odd governments, in as much as taxes formed an important part thereof. Sir John Jordan volunteered the information that foreigners in foreign settlements such as Shanghai participated in the local government and also had a voice in certain national taxes as well. The local government at Tsingtau could raise revenue by friendly understandings between the Chinese government and the various foreign powers concerned. Mr. MacMurray took occasion to declare that the presence of Mr. Bell and himself was not to be taken as implying assent to the principle that American citizens and their interests were subject to taxation for municipal purposes without the express consent of the American government.[1] The British observers associated themselves with this statement. Because of the complications involved in the matter of taxation it was agreed to omit all reference thereto in the final draft of the agreement on the subject of foreign representation in the municipal

[1] Chinese Delegation, *Minutes, etc.*, p. 15.

government at Tsingtau. The following general resolution concerning the open port of Kiaochow was then adopted:[1]

> The Japanese government declares that it has no intention of seeking the establishment of an exclusive Japanese settlement or of an international settlement in Tsingtau.
>
> The Chinese government, on its part, declares that the entire area of the former German-leased territory of Kiaochow will be opened to foreign trade; and that foreigners will be permitted freely to reside and to carry on commerce, industry, and other lawful pursuits within such area.
>
> The vested rights lawfully and equitably acquired by foreign nationals in the said area under the German régime, or during the Japanese military occupation, will be respected. The questions relating to the status and validity of such vested rights shall be arranged by a Sino-Japanese commission.
>
> The Chinese government declares that, pending the enactment and the general application of the general laws regulating the system of local self-government in China, the Chinese local authorities will ascertain the views of the foreign residents in the former German-leased territory of Kiaochow in such municipal matters as may directly affect their welfare and interest.

Before entering into a discussion of other matters, at the opening of the conversation on the morning of January 14[2] Baron Shidehara called attention to the third paragraph of the agreement arrived at the preceding day. It was his idea that the Sino-Japanese commission should concern itself only with the status or validity of vested rights acquired by Japanese nationals. Accordingly, the wording should be made perfectly clear. Dr. Koo agreed, also suggesting that the word "and" between "status" and "validity" should be changed to "or" as originally adopted. These changes were made, and it was mutually

[1] Japanese Delegation, *Minutes, etc.*, p. 259.
[2] Twenty-sixth meeting.

understood that the last paragraph should form an annex to the treaty which was being formulated.

Dr. Sze then asked the Japanese delegation to elucidate the Japanese position in relation to the question of the restitution of the leasehold of Kiaochow. Baron Shidehara stated that it was intended to restore the territory to China and that the rights formerly granted to Germany within the so-called neutral zone should be canceled. In reply to the Chinese request for all deeds, archives, registers, plans, and other documents which Japan had received from Germany, the Japanese reported that the originals had in most cases been burned by the Germans at Tsingtau and that Japan had only those copies which had been secured from Berlin. All essential papers would be transferred to China. This did not satisfy the Chinese, Dr. Sze pointing out that certain documents had been handed to Japan by the Treaty of Versailles and that they might be needed in case of future disputes or law suits. If Japan did not possess the originals, certified copies would be satisfactory. Furthermore, all documents relating to the Japanese administration of Tsingtau were desired. Baron Shidehara had no objection to handing over such documents as might be necessary for the Chinese authorities in taking over the administration of the territory. He had no exact knowledge of the documents which might be in Japanese hands in Tsingtau or Tokyo, but certainly all necessary ones would be delivered to the Chinese, as they were to be responsible for the administration of Tsingtau. There might be confidential documents which would not be needed by China and

it would not be practicable to surrender military papers. It appeared that the Chinese delegates were afraid that Japan might conceal essential documents. Both delegations agreed to insert in the minutes the following understanding:[1]

> The Japanese government agrees to hand over to the Chinese government upon the transfer to China of the administration of the former German-leased territory of Kiaochow such archives, registers, plans, title deeds, and other documents in the possession of Japan, or such certified copies thereof, as may be necessary for the said transfer, as well as those that may be useful for the administration by China, after such transfer of that territory and of the fifty-kilometer zone around the Kiaochow Bay.

The remainder of the meeting was taken up by an interesting discussion of a proposal introduced by Dr. Koo to the effect that the Japanese government and its nationals disavow all claims to any territorial advantages or preferential or exclusive rights, privileges, or concessions in Shantung province which constitute an impairment of Chinese sovereignty or are inconsistent with the "open door" principle. Baron Shidehara took exception to this suggestion. First, he inquired why Japan should give such assurance concerning Shantung when the principles in question applied to all parts of China. A general committee of the Washington Conference had disposed of that matter. Again, such a provision might be construed as an admission on the part of Japan that she so far had disregarded those principles in the province of Shantung. It should not be intimated that Japan had been committing criminal acts in Shantung. Although the

[1] Japanese Delegation, *Minutes, etc.*, p. 268.

Chinese repeatedly asserted that the purpose of a restatement of principles to which Japan already had agreed was only to reassure public confidence and to dissipate misgivings, the Japanese declined to agree to its insertion in the treaty, and record of it was limited to the minutes of the twenty-sixth meeting.

Baron Shidehara opened the meeting of January 16 with a statement that his government had no desire to protract the transfer of the territory since there would be no advantage in doing so. The question before the delegates was how soon it would be practicable to effect the transfer. The Japanese administration had included legislative, executive, and judicial activities, and government offices had been established in various parts of the leased area. There might happen to be several civil or criminal suits pending in the courts which would have to be handed over to the Chinese authorities together with all relevant documents. There might be a considerable number of public properties to be transferred, for which an inventory must be prepared and signed by both parties. All this would take time. Both sides presented drafts, as usual, and engaged in the customary examination of the phraseology and form. A tentative formula was approved as follows:[1]

> 1. Japan shall restore to China the former German-leased territory of Kiaochow.
>
> 2. The governments of Japan and China shall each appoint a commission with powers to make and to carry out detailed arrangements relating to the transfer of the administration and of public property in said territory and to settle other matters equally requiring adjustment. For such purposes the Japanese

[1] Japanese Delegation, *Minutes, etc.*, p. 276.

and Chinese commissions shall meet immediately upon the coming into force of the present agreement.

3. The said transfer (and adjustment) shall be completed as soon as possible, and in any case not later than . . .[1] from the date of the coming into force of this agreement.

Then the question of the mines was raised. The Japanese proposed that they should be worked as a joint enterprise, the details to be worked out later on by competent authorities of the two governments after technical study and examination. The Chinese delegates wished to be informed as to how long such an arrangement would last and in what areas Japan had undertaken mining operations. Mining concessions originally were granted to Germany by the treaty of 1898. Another agreement was made in 1900, the mines being considered appurtenant to the railway, but in 1911 the original rights were considerably revised. Dr. Koo was unable to state the period of time covered by these arrangements. In reply to a question by Baron Shidehara the Chinese stated that they hoped that the mining properties would be turned over to their government in order that a Chinese company might be formed in which Japanese and other foreign capitalists could join with Chinese investors. The Chinese law was very liberal concerning mining enterprises, admitting a maximum foreign investment of fifty per cent in any mining company. The Japanese delegation expressed a desire to incorporate a joint Sino-Japanese enterprise in which each group should have an equal share and interest. However, it would not be possible at the present meeting to decide upon a precise form

[1] This period finally was fixed at six months.

to be adopted, and it would be best to adjourn. Both delegations expressed their appreciation of the services of the British observer, Sir John Jordan, who was sailing for England that day.

The British Empire was represented at the twenty-eighth meeting, Tuesday, January 17, by Mr. M. W. Lampson and Mr. F. Ashton-Gwatkin, the latter being welcomed cordially by the Chinese and Japanese delegates. Baron Shidehara announced that there were three mining districts, namely, Tzechwan, Fangtze, and Chinlingchen, actually operated by the Japanese authorities in Shantung. These areas had been assigned to the Schantung Bergbau Gesellschaft in 1911, and Japan had operated no mines or extensions beyond the specified districts. The Tzechwan coal mines covered an area of 418 square kilometers and produced 468,800 tons of coal according to the last yearly statistics. The production was increasing annually. The Fangtze coal mines covered 528 square kilometers, producing 400 tons daily. The Germans had been unsuccessful in this region, but very good results had been attained under Japanese management. The Chinlingchen iron-mining district comprised 283 square kilometers, the output being 178,800 tons per annum.[1] Changtien had been included in the agreement of 1911, but apparently it had been abandoned by the Germans and was not being operated by the Japanese. Dr. Koo reported that his information was that at several points mining operations were being carried on by Japan beyond these areas, but that these

[1] Japanese Delegation, *Minutes, etc.*, p. 281.

matters could be arranged locally. He then summarized the Chinese temporary regulations of November 27, 1915, in which iron mines were made an exception to the general provisions. Iron mines were placed under the general supervision and control of the Chinese government, private operation being permitted with the approval of the Ministry of Agriculture and Commerce. Foreign capital was not admitted, and the sale of iron ore to foreigners required special consent of that Ministry. In those cases where concessions were granted the government of China reserved the right to purchase the mining interests.[1] Furthermore, China had promulgated regulations defining the rights, duties, and status of companies and of individual merchants and recognizing commercial organizations as legal persons. These laws and regulations had been working to the satisfaction of both foreign and Chinese commercial interests and so long as they remained in force the Chinese delegates were bound to conform thereto. Mr. Hanihara, in reply to a question, said that there might possibly be Japanese individuals interested in mines other than those associated with the railway. Dr. Koo offered to meet the Japanese interest in the output of the Chinlingchen iron mines by making arrangements whereby Japan could secure iron. This would be in accord with the Chinese law, as the consent of the Chinese government would be secured. Baron Shidehara said that it was difficult for him to agree to the exclusion of the iron mines from his proposal of joint enterprise, and that this

[1] Chinese Delegation, *Minutes, etc.*, p. 62.

was not a matter of new concessions which naturally would be affected by the regulations of 1915. On the other hand, these concessions had been granted to the Germans before that date. The nations represented at Paris in 1919 had agreed that Japan should retain economic rights in Shantung. If the legal reasons of the Chinese difficulty were to be emphasized too much it would necessarily lead to complicated issues. Hanihara remarked that the actual fact was that the mines were in the hands of Japan. If the Chinese delegates pressed the matter too hard it would result in a discussion of Japanese rights in Shantung. It would be better to proceed on a basis of compromise and agree to a plan of joint operation on equal terms, the details to be worked out by the Japanese and Chinese commissions.

Dr. Koo declared that there was a great difference between possession and ownership or title but that that was not the point. The Chinese delegates had no objection to the coöperation of the Japanese and Chinese capitalists, but they could not act contrary to the mining regulations. Mr. Hanihara replied that if the Chinese delegation insisted upon applying Chinese regulations to the Shantung mines Japan would have to insist upon retaining the Chinese mines.[1] It could not be expected that Japan should give up all her interests. There must be some way of adjustment. Japan was going a step forward in proposing to make it a joint enterprise. They could not enter into details, but a general agreement was desired.

[1] Japanese Delegation, *Minutes, etc.*, p. 286.

The Japanese agreed to the Chinese suggestion to consider the coal mines and the iron mines separately on condition that it was understood that the Japanese position concerning the latter would not be prejudiced. Dr. Koo wished to avoid a joint enterprise and advocated the formation of a Chinese corporation with equal portions of Chinese and Japanese capital. Baron Shidehara objected on the ground that many complicated issues were involved. He understood that the Chinese company acts had been issued but were not in actual operation. It might be a good policy to form a corporation, but for the time being it seemed more practicable to make a special arrangement between the two governments to carry out this enterprise as a joint undertaking, the form and terms to be determined later. The general public had no interest in the mines and there was no political consideration involved. New drafts were introduced and discussed, but the Japanese made it clear that it would not be possible for them to give up the iron mines and that they would insist upon retaining an equal share and interest therein. Also, it would not be acceptable to turn over the mines to the Chinese government first, because that would imply ownership by that government.

At the next meeting, January 18,[1] Dr. Koo presented new formulæ. One dealt with the coal mines, proposing that they should be operated by a Chinese company in which Japanese capital might participate to an extent not exceeding fifty per cent of its total capital.

[1] Twenty-ninth meeting.

A Sino-Japanese commission should determine the mode and terms of such participation. The words "Chinese company" were used to describe who should operate the mines and did not necessarily imply a private concern. The commission was free to determine its character, public or private. It had been very difficult to devise a plan for the iron mines and perhaps it would not be satisfactory. The Chinese government should pay to Japan the appraised value of the mines within a period of years during which an arrangement would be made to supply Japan with iron ore. The duration of this period should be fixed by the Sino-Japanese commission. Baron Shidehara feared that it would be impossible to reach an accord upon the lines suggested. The mining regulations for which such regard was shown had been the subject of protest by various powers on the ground that they were inconsistent with the terms of various treaties to which China was a party. Therefore Japan could not commit herself to anything which might involve a recognition of those regulations. In the second place, the property rights of the mines in question were in the hands of Japan, who was now ready to open them to joint Sino-Japanese enterprise. Dr. Koo replied that when China declared war against Germany it was made clear that all treaties with that power would be abrogated. Japan herself had established precedents for the abrogation of commercial treaties in the instances of the Shimonoseki Treaty of 1895 and the Treaty of Portsmouth of 1905. Baron Shidehara countered with the remark that vested rights granted to private enemy interests could not be disregarded.

Without special arrangement with the German government China had no right to confiscate these property rights. After prolonged discussion the Chinese delegation announced that it was prepared to meet the Japanese viewpoint by including the question of the iron mines in the same draft with the coal mines. The Japanese in turn accepted a modification of the wording of their formula which was changed to read:[1]

> The mines of Tzechwan, Fangtze, and Chinlingchen, for which the mining rights were formerly granted to Germany, shall be handed over to a company to be formed by a special charter of the Chinese government in which Japanese capital may not exceed the amount of Chinese capital. The mode and terms of such arrangement shall be determined by the Chinese and Japanese commission which are to be appointed for that purpose, and which shall meet immediately upon the coming into force of the present agreement.

The thirtieth meeting[2] of the two delegations was devoted to the questions of cables and wireless stations. The Japanese explained that the Germans had laid two cables — one between Tsingtau and Chefoo and the other between Tsingtau and Shanghai. During the war Japan had cut these cables, using portions thereof to construct a line five hundred thirty miles in length between Tsingtau and Sasebo, Japan. About one hundred thirty miles of German cable remained in the sea. Germany had renounced both of the original lines in favor of Japan and the Japanese government now was ready to hand them over to China. It was understood that the Chinese government had placed orders in Japan for a new cable between Chefoo and Shanghai, and it was hoped that this line would

[1] Chinese Delegation, *Minutes, etc.*, p. 65.
[2] January 19, 1922.

pass through Tsingtau en route in the interests of facility of communications. In regard to the Tsingtau-Sasebo cable it was desired that the *status quo* be preserved.

The question of connection with the Chinese land telegraphs remained to be arranged with the Chinese government, involving also the rights of the Great Northern Telegraph Company and of the Great Eastern Company. If China was ready to recover those portions lying in the sea she was free to do so. It was thought that about fifty miles lay near Shanghai and about thirty miles of cable near Chefoo, the remaining fifty miles being easily traceable elsewhere. Dr. Sze stated that the rights of the above-mentioned telegraph companies would expire in 1930, when their lines would revert to the Chinese government. Under the contract terms it would not be permissible to authorize other cable connections without their approval. Concerning the projected cable from Chefoo to Shanghai it would be necessary to refer to Peking for information and instructions. Accordingly, he could not agree to the insertion of any clause dealing with that undertaking. After discussion of phraseology, the two sides agreed as follows:[1]

> Japan declares that all the rights, title, and privileges concerning the former German submarine cables between Tsingtau and Chefoo, and between Tsingtau and Shanghai, are vested in China, with the exception of those portions of the said two cables which have been utilized by the Japanese government for the laying of a cable between Tsingtau and Sasebo; it being understood that the question relating to the landing and operation at Tsingtau of the said Tsingtau-Sasebo

[1] Japanese Delegation, *Minutes, etc.*, p. 301.

cable shall be arranged by the Chinese and Japanese commissions, subject to the terms of the existing contracts to which China is a party.

Turning to the question of wireless stations, Baron Shidehara said that there was but one such station at Tsingtau. There had been three, but two had been withdrawn by the Japanese authorities. The Japanese government had no objection to handing it over to China for a suitable compensation, the actual value being ascertained. This station was located on a hill in Tsingtau and was rated at twelve kilowatts. Upon interrogation, the Japanese also stated that the station at Tsinanfu was to be handed over to China and that it was hoped that Japanese alphabet messages might be accepted at Tsingtau and Tsinan, for the convenience of the large number of Japanese residents. Dr. Sze stated that it was the policy of the Chinese government to attain uniformity of communications as much as possible and that it would be difficult if not inadvisable to make an exception in favor of Japanese. As in the case of the customs discussion, the Japanese delegates declared that actual conditions prevailing in the locality must be taken into consideration. It might be wise to employ Japanese operators. Dr. Sze considered this a technical question and it was dropped temporarily, while a Japanese formula was considered which proposed to transfer to China the two stations at Tsingtau and Tsinan on proper terms and for suitable compensation, to be arranged between Chinese and Japanese commissions.[1] Dr. Koo suggested that a specific time be set within which the

[1] Japanese Delegation, *Minutes, etc.*, p. 302.

transfer should be completed. Baron Shidehara returned to the subject of messages in the Japanese language, known as Kana messages, declaring that they would not disturb the efficiency of the service and would greatly benefit the Japanese residing in the locality. In as much as the wireless stations had been erected for military purposes, the period of their transfer must be identical with that of the withdrawal of the troops. It was agreed that that period would be acceptable. The Japanese desired to have it recorded in the minutes that when the details were discussed by the commissions Japan would again bring up the question of Kana messages, but the Chinese delegation made it clear that it could not encourage the Japanese to expect a favorable decision then. The accepted formula read:[1]

> The Japanese wireless stations at Tsingtau and Tsinanfu shall be transferred to China on the withdrawal of the Japanese troops at those two places, respectively, with fair compensation for the value of these stations. The details of such transfer and compensation shall be arranged by the Chinese and Japanese commission.

The thirty-first meeting was held in the afternoon of January 23 and was devoted to the adjustment of the question of the salt fields. The earlier discussions of this matter had ended with the insistence of China that the salt industry in the coast district of Kiaochow be turned over to the Chinese government upon fair compensation and an agreement to export salt to Japan. The Japanese delegation had submitted this proposal to Tokyo and had received an unfavorable

[1] Chinese Delegation, *Minutes, etc.*, p. 34.

reply. In an effort to harmonize the positions of the two bodies a rough draft was presented by Mr. Hanihara. Japanese nationals actually engaged in the salt industry should be permitted to continue, subject to the right of China, to purchase their property, on terms to be arranged by the joint commission. Salt produced in this district should be available to Japan, whether or not the Chinese government purchased the fields, the quantity and terms to be determined. A separate arrangement should be concluded to fix the duty to be imposed.[1] Dr. Sze felt that the draft was too vague and appeared to be contrary to the Chinese principle that Shantung province should be restored with a clear title. Mr. Hanihara declared that the matter was not one of title but of vested rights. Dr. Sze replied that his government desired to buy the fields and that therefore the Japanese proposal was unacceptable. Any arrangement must be "plain to any man in the street." It should contain a specific period, and if there were difficulties in coming to an agreement locally the matter should be submitted to arbitration by impartial people. Mr. Hanihara reviewed the history of the salt industry in the Kiaochow region, stating that the efforts of the Chinese government in 1916 to extend the salt gabelle administration in that section were frustrated by local opposition, and that therefore it was not unreasonable to advance the Japanese proposition to continue the operation of the fields outside the monopoly system. It was of vital interest to Japan that the Shantung

[1] Japanese Delegation, *Minutes, etc.*, p. 305.

salt should be exported regularly to that country. The American and British observers remarked that the underlying principle of both Chinese and Japanese plans was the same, and that there should be no difficulty in making them harmonize. Baron Shidehara again questioned the advisability of resorting to arbitration as being a clumsy process incapable of a speedy solution, which was desired. This point was overcome by the omission of the clause providing for ultimate arbitration with the consent of the Chinese delegation in exchange for the fixing of a reasonably short period for the transfer. The meeting adjourned after adopting this agreement:[1]

> Whereas the salt industry is a government monopoly in China, it is agreed that the interests of Japanese companies or Japanese nationals who are actually engaged in the said industry along the coast of Kiaochow Bay are to be purchased by the Chinese government on payment of fair compensation, and that exportation to Japan of a quantity of salt produced by the said industry along the said coast is to be permitted on reasonable terms. Arrangements for the above purposes, including the transfer of said interests to the Chinese government, shall be completed by the Chinese and Japanese commissions as soon as possible and in any case not later than . . . months[2] from the date of the coming into force of the present agreement.

Dr. Koo opened the meeting of January 24[3] with a discussion of the occupation of land belonging to Chinese citizens along the Shantung Railway. In many cases the owners had received payment, but in a large number of instances the remuneration was inadequate or had not been made at all. He wished to establish a general principle without taking up

[1] Chinese Delegation, *Minutes, etc.*, p. 33.
[2] This period finally was fixed at six months.
[3] Thirty-second meeting.

such cases individually. Certain Chinese citizens had advanced claims for injuries and damages to persons or property during the period of the Japanese administration. He did not wish to convey the impression that he considered all such claims well founded, but some formula might be agreed upon which would enable the authorities of both countries to deal with the matter in an equitable manner. Accordingly, the Chinese delegates desired to suggest investigation by a joint commission with fair reparation by the Japanese government in such cases as were found to be just.[1] Claims filed with the Chinese authorities numbered 120, covering land, lives, and property, aggregating in value $5,686,565, plus one case amounting to 1,000 taels.[2] Baron Shidehara declared that, so far as he had been informed, in no case had any Chinese property been requisitioned without due compensation, and that therefore it was impossible for him to agree to any wording which might intimate that the Japanese authorities had perpetrated any unlawful act. Private claims against Japanese nationals were not fit subjects for governmental action and could be adjusted in the ordinary way. He suggested as a suitable formula a provision of the Sino-Japanese Manchurian Convention of December 22, 1905, with regard to Chinese claims arising from the Russo-Japanese War, reading: "With regard to any public or private property of China which has been purposely destroyed or used by

[1] Chinese Delegation, *Minutes, etc.*, p. 28.

[2] The Mexican dollar is the standard currency of China, approximating fifty or sixty cents in United States currency, which latter is known throughout the Orient as gold currency to distinguish it from silver, or Chinese, money. A tael is worth slightly more than a silver, or Mexican, dollar.

Japanese subjects without any military necessity, the governments of the two countries shall respectively make investigations and cause fair reparation to be made." Dr. Koo said that this formula was not appropriate to Shantung, because, first, of the occupation by the Japanese authorities and nationals, and, second, because there had been no ground for the plea of military necessity outside the leased area in Shantung province. Adequate adjustment of these claims would help to restore the feeling of friendship and neighborliness between the peoples of China and Japan, as the Japanese military operations in Shantung had greatly disturbed the Shantung people. Those who had suffered injury felt it keenly. The Japanese delegation proposed postponing the discussion of this point until the following day, in the hope that the Chinese delegates would realize its difficult position. Also, it was feared that the one hundred or more claimants would cause difficulties for the commission, particularly those who were not satisfied. Dr. Koo recalled that after the Chinese Revolution of 1911 a mixed court adjudged fifteen hundred cases, totaling thirty-two million dollars within nine months, without difficulty.

The delegates then directed their attention to other questions. It was mutually understood that the telegraph lines along the railway would be handed over to China along with the railway properties.[1] Japanese post offices along the Shantung Railway should be withdrawn in accordance with the general principles

[1] Chinese Delegation, *Minutes, etc.*, p. 27.

adopted by the Far Eastern Committee of the Conference, with the exception that those branches within the Kiaochow territory would not be closed until the Shantung question had been settled. Light railways of about six miles in length, connecting the Shantung Railway with certain mines, would be turned over to China with the main line. It also was agreed that forestry projects in the leased area which were used in connection with the Tsingtau water supply should be transferred to China in the same category with other public properties formerly belonging to Germany.

During the thirty-third meeting[1] the delegates continued a discussion of Chinese claims. Baron Shidehara announced that he had carefully considered the Chinese point of view and had concluded that there were two classes of claims to be distinguished. First, there was one type dealing with claims against the Japanese authorities. He and his colleagues had investigated the facts and had ascertained that outside the leased territory in Shantung province the Japanese government had not purchased any ground nor were they in occupation or possession of any land except the railway property. Therefore there seemed to be no land to be retained by the Japanese authorities after the transfer of the railway properties. Within the leased area certain lots had been acquired through the ordinary process of purchase with the free consent of the owners. There had been no requisitioning or compulsory sale of any kind. Concerning damages, the Japanese government could not be held responsible

[1] January 26, 1922.

for any damage which might have resulted from military operations in the province during the war. Accordingly, there could hardly be any just claims against the Japanese government, but Japanese consular officials would be prepared to consider complaints if presented. In the second place, there might be claims against Japanese individuals. It was conceivable that such claims might arise on the ground that real property was in the unlawful possession of Japanese subjects in Shantung, or that unlawful acts had been committed. These cases should be taken to the Japanese Consulate for examination and disposal, with confidence that full justice would be done. There was no need for a joint commission to deal with these matters unless Chinese and Japanese authorities, after due consideration, decided that the settlement would be expedited thereby.[1]

Dr. Koo declared that he was in the possession of records showing that lands had been acquired by the Japanese authorities outside of the leased area. One very distinct class of cases was land occupied by Japanese military authorities for target practice without the consent and in some cases against the protest of the local authorities. It would be impracticable to handle the matter through the consular authorities because of the large district over which the claims were scattered and also because of the large number of cases. Furthermore, most of the cases involved the interests of a large number of people of small means who could not afford to await a lengthy

[1] Japanese Delegation, *Minutes, etc.*, p. 322.

procedure. The Sino-Japanese Commission appeared to be the best agency for gathering evidence. Baron Shidehara said that there was nothing to bind Japanese citizens to the rulings of the commission as only court proceedings could reach them. In the absence of such proceedings the Japanese government could not compel them to pay damages. In the case of lands occupied by the Japanese authorities, of course his government would be glad to do justice. The Chinese suggested that the commission should first investigate and report on the fact and that the lawsuits themselves should be left to the proper Japanese authorities. Thus the matter could be adjusted easily, but Shidehara persisted in his opposition to any special arrangement on the subject. The Japanese viewpoint was that the respective positions of the two delegations had been made sufficiently clear in the minutes. Accordingly, the following statement was inserted in the official minutes:[1]

> The omission of any reference in the treaty to the question of claims which Chinese citizens may have against the Japanese authorities or Japanese subjects, for the restitution of real property in Shantung or for damages to the persons and property of Chinese citizens in Shantung, shall not prejudice such claims.
>
> The Chinese authorities shall furnish the Japanese authorities with a list of such claims, together with all available evidence in support of each claim. Justice shall be done through diplomatic channel as regards the claims against the Japanese authorities, and through ordinary judicial procedure as regards the claims against Japanese subjects. With respect to the latter class of claims, the investigation into actual facts of each case may, if necessary, be conducted by a joint commission of Chinese and Japanese officials, in equal number, to be specially designated for that purpose.

[1] Chinese Delegation, *Minutes, etc.*, p. 30.

> The Japanese government shall not be held responsible for any damages which may have been directly caused by military operations of Japan during the late war.

Dr. Koo and Mr. Hanihara agreed that all other questions, except that of the railway, which had not been brought up, would be adjusted by the joint commission, if necessary. The delegations then discussed the probable form of the arrangements which had been made. Baron Shidehara remarked that if a treaty were decided upon the delegations would require full powers for that purpose, and that it might be necessary for them to secure special full powers. In that event, it would not be advisable to wait for such full powers to be transmitted by mail, but that it might be possible to arrange that they should be presented by the respective governments to the accredited minister of the other. If in due and correct form, the ministers then might send notice by telegraph to that effect. Dr. Koo approved of this plan and proposed notifying the American representatives in Tokyo and Peking of the issuance of these special full powers so that the government of the United States, having convened the Conference, might be notified officially that an agreement had been reached. It was understood by the Chinese delegation that they should report the results of the conversations either to the Far Eastern Committee or to a plenary session of the Conference. The Japanese were unable to see "any practical necessity or reason" for such a course, Mr. Hanihara stating that it would be necessary to distinguish between the Conference of the nine powers and the special Shantung Conference. It was decided

to leave the matter to the discretion of the respective governments. A drafting committee of three Chinese and three Japanese was appointed and it was agreed that English, the language used in the conversations, should be the language of the text. Other languages might be used in preparing copies after the official text had been drafted.

The thirty-fourth meeting, January 30, 1922, proved to be the longest of the series of conversations, commencing at three o'clock in the afternoon and adjourning at ten o'clock that evening. During the interval of more than three weeks since the railway question last was discussed, a number of American and British suggestions had been offered both delegations in the effort to bring them into some agreement.[1] These attempts were successful in making it possible to harmonize the Chinese and Japanese positions to such an extent that a solution was deemed likely. Dr. Sze opened the conversation by enumerating three points which awaited settlement: first, the mode of payment; second, the period; and third, the employment of Japanese experts. He was under the impression that the Japanese had indicated their probable willingness to accept payment in the form of Chinese treasury notes. As to the second point, Mr. Hughes had informed him that Japan desired to extend the period of optional redemption by China to five years, and that if the option were not to be exercised the liabilities would continue for fifteen years. Concerning Japanese experts, it appeared to be mutually agreed

[1] Chinese Delegation, *Minutes, etc.*, p. 58.

that there should be a Chinese chief accountant with a Japanese associate chief accountant and a Japanese traffic manager with a Chinese assistant traffic manager appointed after two and one-half years with a view to becoming traffic manager after five years if the option were exercised.[1] Baron Shidehara replied that he had understood Mr. Hughes and Mr. Balfour to intend that there should be one Chinese and one Japanese co-accountant, each with equal functions and responsibility. The period of fifteen years should start with the date upon which the Chinese government delivered the treasury notes to Japan. The valuation of the railway and its appurtenant properties should be made first in order to fix the amount of China's liability. The Chinese delegation planned to redeem one thirtieth of the sum every six months, but the Japanese claimed that their understanding had been that no redemption should be made during the first five years. Attention then was directed towards the period of valuation, which had been set tentatively at nine months at the meeting of December 14, because Baron Shidehara wished to consult expert opinion on the point. Upon inquiry it was found that he had not yet done so, but he expressed his expectation of being able to secure the information before the next meeting. It had been agreed in principle that the Chinese government would appoint the Japanese experts, but the exact procedure had not been settled. However, Mr. Lampson said that in one of the drafts (D) it was specified that the concurrence of the

[1] Japanese Delegation, *Minutes, etc.*, p. 334.

Japanese government should be necessary. Baron Shidehara concurred therein on the ground that the purpose was to select the best qualified men and that the Japanese government would be in the best position to know who were so qualified. The Chinese delegates seemed to be unfavorably disposed towards this procedure, asserting that they had not understood that the consent of Japan was necessary. Mr. MacMurray stated his regret that the point had not happened to come up when the British and American representatives had talked with the Chinese delegates, but he had always taken it for granted that the Chinese government would consult Japan in the appointment of experts in order to avoid possible friction. Dr. Koo said that this was a practical question in which China would do her best to secure qualified men. Probably the first step would be to canvass available Japanese employed on Chinese railways, but if none was found suitable the natural recourse would be to the Japanese authorities. Dr. Sze supplemented these remarks by observing that a clause such as Japan wished might be a reflection upon the managing director of the Chinese railway system, implying that he might not make a good selection. Furthermore, as the matter had not come up earlier, the interviews with Mr. Hughes and Mr. Balfour had been reported to Peking with a clear statement that it would not be included. It finally was agreed to insert a clause in the minutes as follows:[1]

> In the selection of the Japanese experts upon the railway the Chinese government will ask the Japanese government for

[1] Japanese Delegation, *Minutes, etc.*, p. 341.

such information as may be useful in the making of suitable selections.

It also was understood that the Japanese officials would be employees of the Chinese government, under the control of the Chinese managing director appointed by the Chinese government. The two experts would in no way be agents of the Japanese government. Furthermore, these officials would have no power to insist upon retaining Japanese railway employees who might be discharged or continued in service at the discretion of the Chinese managing director of the line. Dr. Sze pointed out that in the employment of foreign nationals problems arose because of their extraterritorial rights and on the question of wages. There was no intention to discriminate against the present employees, but efficiency was the great objective. The period of time between the date of the coming into force of the agreement and the transfer of the railway should be considered as a due notice in case of dismissal, but it would be better to agree upon some formula so that there might be no difficulty. The following understanding was approved for insertion in the minutes:[1]

> Detailed arrangements concerning replacements to take effect immediately upon the transfer of the railway to China are to be made by the Japanese and Chinese authorities.

A great deal of time was consumed in discussing the composition of the subordinate staff of the railway, the Japanese declining to consent to a statement that it should be entirely Chinese, but at the same time they

[1] Japanese Delegation, *Minutes, etc.*, p. 348.

did not claim any of those posts for Japanese nationals. Their contention was simply that nothing should be said on the point, leaving it to the Chinese managing director, so that Japanese were not precluded from accepting positions if they should be offered. It was expected that some Japanese would be appointed to certain positions, although of course Japan had no intention to make any such claim as a matter of right. Dr. Koo then stated that after the pending agreement came into effect it was expected that the Japanese railway administration would enter into no agreement or contract which could not be executed before the transfer; and that in regard to existing contracts and commitments into which the administration had entered, and which might affect railway interests, the said Japanese authorities would terminate such arrangements by the time the railway was turned over to China. It was desired that the Japanese officials should make due estimates of the requirements of the railway so that there might not be too much material left unused. Should there be special contracts with Japanese subjects giving them special rates it would be necessary to cancel them. Baron Shidehara said that he could not conceive of any such arrangements as were contrary to the principle of the "open door" and equal opportunity. Before adjourning it was agreed to report the progress made to Mr. Hughes and Mr. Balfour because of their good offices having been instrumental in initiating the conversations, but as the meetings had been distinctly apart from the Washington Conference it was not thought advisable to notify that body of the result of the deliberations.

The next meeting of the Chinese and Japanese delegations took place on the morning of January 31, 1922.[1] The latter presented for consideration a draft of the proposed article concerning the Tsingtau-Tsinanfu Railway. It was agreed that two joint commissions should be appointed, one to deal only with matters appertaining to the railway and the other to adjust all other problems. Upon the request of Dr. Koo the Japanese agreed to relegate to the minutes a clause prohibiting China from securing funds from any source other than Chinese for the purpose of redeeming the treasury notes.[2] The time limit for the delivery of those notes and the transfer of the railway properties was set at a maximum of nine months. The delegates discussed the probable date for the transfer of the leased territory of Kiaochow and of the public properties therein. Baron Shidehara proposed six months as the shortest possible period in which the transfer could be effected. The opinion of the Japanese authorities in Tsingtau had been secured, and of course everything would be done to expedite the business. Dr. Koo suggested that the additional period between the signing of the treaty and its coming into force might be utilized by the Japanese in making preparations but was informed that nothing could be done until the commissions of China and Japan had met, although everything would be done by the Japanese authorities to facilitate the preparations. The Chinese delegates declared that they entertained no doubts as to the good intentions of Japan, but that they were thinking

[1] Thirty-fifth meeting.
[2] Japanese Delegation, *Minutes, etc.*, p. 363.

of the effect upon the minds of the Chinese people. Should there be any misapprehension on their part it would not be fair to Japan's intentions. With the understanding that six months was a maximum date, however, the Chinese delegation was ready to accept that period, provided that it should be recorded in the minutes that Japan would do everything to expedite the transfer and that necessary preparations would be made before the commission met. Baron Shidehara acquiesced in this plan with the hope that China also would make all preparations for receiving the territory, such as providing the necessary personnel. The Japanese government was willing to hand over the telephone system of Tsingtau and other specified public properties without charge save for improvements minus allowance for depreciation. It also was agreed to set a period of six months for the adjustment of the salt question. All necessary dates having been determined, Dr. Koo suggested that the conferees meet again in the afternoon to discuss the form of communication to be made to Mr. Hughes and Mr. Balfour. Baron Shidehara concurred with the reservation that as the final drafting had not been finished the communication represented only the substance of individual agreements.

Dr. Wang, of the Chinese delegation, stated the Chinese draft of the communication at the opening of the afternoon session. He said that the agreements which had been reached could be arranged chronologically or logically, but that he had used the latter method. Accordingly, the agreements could be divided into three classes, viz.: (1) treaty agreements, (2) annexes

to the treaty, and (3) understandings to be recorded in the minutes. Under the first heading he suggested the following order: (1) the transfer of the former German-leased territory of Kiaochow, (2) public properties, (3) withdrawal of Japanese troops from Shantung, (4) maritime customs of Tsingtau, (5) the Tsingtau-Tsinanfu Railway, (6) extensions of that railway, (7) mining in Shantung, (8) the purchase of the salt industry by China, (9) former German submarine cables and Japanese wireless stations, (10) vested rights of foreigners, and (11) the opening of Tsingtau as a self-opened port.[1]

Baron Shidehara raised the question of the category into which the renouncement of Japanese preferential rights with regard to foreign assistance in persons, capital, and material would be placed. There might be some misunderstanding unless the matter were expressly stated in the treaty itself. Dr. Wang said that the wording would have to be modified before it could be incorporated in the treaty, but that it might suitably form the subject of a unilateral declaration in the annex to the treaty. The Japanese diplomat felt that some question might be raised whether treaty rights possessed by Japan could be renounced without express stipulation in another treaty. No laws or treaties could be impaired or canceled without taking a legal form. As the Chinese contended that the annex formed part of the treaty, there should be no difficulty in having the clause inserted in the body of that document. It could take the form of a unilateral

[1] Japanese Delegation, *Minutes, etc.*, p. 368.

declaration by Japan. Both sides agreed that this question was not very important, but the Chinese won their point for insertion in the annex. After some minor textual changes in the agreements and understandings as previously entered in the minutes, the two delegations concluded their series of conversations on the afternoon of January 31, 1922, by formulating covering notes to Mr. Hughes and Mr. Balfour, accompanying copies of the agreements, annexes, and understandings to be delivered the next morning. The Chinese note particularly expressed gratification that the Conference on the Limitation of Armament "has afforded an opportunity for the settlement of this important international question."[1]

At the fifth plenary session of the Conference, February 1, Mr. Hughes as chairman announced that the Shantung controversy had been settled and Dr. Sze expressed the thanks of his government and of the Chinese people for the extension of good offices which had made possible the recent conversations. The drafting committee selected by the Chinese and Japanese delegations held five meetings.[2] The text of the treaty and the annex was discussed at the first three meetings and agreed to on February 4, 1922. The form of the agreed terms of understandings recorded in the minutes occupied the time of the committee during the two last meetings, being definitely decided upon on February 8. The Shantung Treaty was signed in the presence of American and British representatives in the Hall of America, adjoining the room in which

[1] Japanese Delegation, *Minutes, etc.*, p. 376.
[2] February 2, morning and evening; February 4, February 7, and February 8.

the negotiations had been carried on, February 4, 1922, concurrently with but distinct from the sixth plenary session of the Washington Conference.

By the terms of this treaty,[1] Japan agreed to restore to China the former German-leased territory of Kiaochow, a joint Sino-Japanese commission being provided for to make and carry out detailed arrangements within six months of the coming into force of the convention. The Chinese government declared its intention of paying to Japan fair compensation for public properties purchased or constructed by the Japanese administration and for improvements on or additions to those formerly possessed by the German authorities, less a certain amount for depreciation. Buildings needed by the Japanese Consulate and community in Tsingtau were retained by the Japanese government, including schools, shrines, cemeteries, and public buildings. Japanese gendarmes and troops should be withdrawn as rapidly as they were replaced by Chinese forces. The Tsingtau customhouse was incorporated into the Chinese maritime customs. China engaged to pay 53,406,141 gold marks[2] for the railway, plus whatever amount was expended by Japan for additions or improvements with a proper allowance for depreciation. A joint commission was defined to complete the details of the transfer of the railway properties within nine months. At the time of the transfer Chinese government treasury notes were to be delivered to Japan, redeemable at the option of China after five years

[1] For text, see Appendix XVI.

[2] One gold mark (German) approximates United States gold twenty-five cents.

upon six months' notice. In all events the maximum period was set at fifteen years, during which time Japanese were to be appointed to the posts of traffic manager and chief accountant. Mining rights were to be turned over to a company, to be formed by a special charter granted by the Chinese government, in which Japanese capital should not exceed Chinese capital. Kiaochow was opened to foreign trade and industry. The interests of Japanese companies of Japanese nationals actually engaged in the salt industry there should be purchased by China, and the subsequent exportation of salt produced along the shores of Kiaochow Bay should be permitted to Japan upon reasonable terms. All rights, titles, and privileges concerning former German cables terminating at Tsingtau, except those portions which had been utilized by the Japanese government for the Tsingtau-Sasebo cable, were vested in China. Japanese wireless stations in Shantung were transferred to China upon the withdrawal of the Japanese forces, fair compensation being paid.

Supplementary articles appearing in the annex to the treaty included renunciation by Japan of all preferential rights regarding foreign assistance in persons, capital, and material as stipulated in the Sino-German Treaty of March 6, 1898.[1] Public enterprises were to be handed over to the Chinese government for subsequent transfer to the municipal government of Tsingtau. Telephone installation and service were surrendered to China upon the assurance that reasonable

[1] For text, see Appendix I.

extensions and improvements would be made as needed by the foreign community in Tsingtau. The Chinese government pledged itself to give fair representation to the foreign community of Tsingtau in the management and maintenance of public works such as roads, water supply, parks, drainage, and sanitation. Special facilities were afforded Japanese commercial interests in that they were to be permitted to communicate with the Tsingtau customhouse in their own language. Should the joint railway commission fail to reach an understanding, recourse would be had to diplomacy, and, if necessary, it would be permissible to secure the advice of an expert or of experts of a third state. The Japanese option on the construction of the Chefoo-Weihsien Railway was withdrawn in the event that local Chinese financiers undertook to build the line without foreign assistance. Lastly, the Chinese government agreed to ascertain the views of the foreign residents in the former leased territory of Kiaochow in such municipal matters as may directly affect their welfare and interests, pending the enactment and general application of laws regulating local self-government throughout China.

In addition to the formal treaty, the Chinese and Japanese delegates agreed to certain terms of understanding as recorded in the minutes of the conversations.[1] Japanese subjects should be permitted to become shareholders in any of the commercial companies to be formed with respect to the public enterprises, subject to Chinese law. No Japanese troops

[1] For text, see Appendix XVII.

would remain in Shantung after the formal withdrawal. Light railways constructed by Japan in Shantung were to be considered as part of the Shantung or Tsingtau-Tsinanfu Railway, as well as the telegraph lines appurtenant thereto. Japanese employees might be removed by the Chinese authorities upon reasonable notice, but there should be no inherent obstacles to retaining their services if deemed desirable. The treasury notes should be redeemable only by Chinese funds. The Japanese authorities agreed not to make any new contracts or commitments which would be harmful to the future interests of the railway. Agriculture should not be included within the term "lawful pursuits" reserved to foreign residents in Kiaochow Territory. Japanese post offices outside the territory were withdrawn simultaneously with the transfer of the railway and those within that region were closed when the Japanese administration ended. Omission of any reference in the treaty was not to be considered prejudicial to any claims of Chinese citizens against Japanese authorities or subjects. Justice would be done through ordinary judicial procedure in private cases, and where the Japanese administration was involved a special Sino-Japanese commission should investigate the facts. The Japanese government was not held responsible for any damage directly caused by military operations during the war.

As was to be expected, a great amount of adverse criticism was heaped on the heads of the Japanese delegates by their countrymen at home, both through the medium of the press and through interpellation in the Diet. The Privy Council passed a resolution

of censure condemning "the weak policy of the cabinet toward China."[1] Newspapers charged that Japan lost as much at Washington as she would have lost had Russia been victorious in 1905. The Four-Power Pact was assailed as a means of submerging the Anglo-Japanese Alliance and otherwise of no meaning. Japanese opinion seemed to be convinced that the Shantung settlement was entirely favorable to China, as that country had expended "neither a drop of blood nor a cent of money for the recovery of Kiaochow from Germany, while Japan's expenditure involved in the Tsingtau campaign was not small."[2] From the viewpoint of many Japanese the concessions to China which were made at Washington can be defended only on the ground that they should contribute decidedly towards the betterment of Sino-Japanese relations. Some eminent Japanese feel that the promotion of cordial and friendly relations between Japan, China, and the United States, even though not achieved in entirety and despite the setback resulting from the American immigration policy, is worth all the sacrifices and concessions which Japan made at the Conference table and in the conversations.

Ratifications of the treaty were exchanged in Peking, June 2, 1922,[3] between the Japanese minister to China and the Chinese minister for foreign affairs, the instrument going into effect at that time.

[1] December 29, 1922.
[2] Iyenaga, T., *How Japan Views the Arms Conference*, in *Current History Magazine*, April, 1922, p. 25.
[3] *Current History Magazine*, July, 1922, p. 719.

CHAPTER XI

THE RESTORATION OF TSINGTAU

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THE joint commission which was to arrange for the details of the transfer of the administration of the former German-leased territory and of the public properties there situated was fixed at six members — three Chinese and three Japanese, to be appointed by their respective governments. Other duties assigned to this body were the arrangement of the terms of transfer of the railway and of the mining properties, the adjustment of all questions pertaining to the status or validity of Japanese vested rights, the settlement of the details of the purchase by China of the salt industry and the exportation of sufficient quantities of salt to Japan, and determination of the compensation to be paid for the Japanese wireless stations at Tsingtau and Tsinan.

The Japanese government selected Mr. Obata, the Japanese minister in Peking; Dr. Akiyama, the Japanese civil administrator in Tsingtau; and Mr. Debuchi, counselor of the Japanese Legation. The Chinese commissioners were Wang Cheng-ting, director general of the Rehabilitation of Shantung Rights; Tang Tsai-chang, counselor to the Ministry of Foreign Affairs; and Hsu Tung-fan, counselor to the Directorate General for the Rehabilitation of Shantung Rights.

Negotiations were opened, June 26, 1922, in the Chinese Foreign Office, each delegation being supported by thirty or forty experts and secretaries. Mr. Obata announced the policy of Japan to adhere to every letter and to the spirit of the Washington Treaty and to see that there should be fair and just settlement of the matters pending. After expressions of determination to maintain justice and sincerity, frankness and co-operation in the consideration of the problems confronting them, the commissioners decided to divide the personnel into two sections, one dealing with administrative matters and the other with the railway. Subcommittees were appointed to consider special phases of the problems, such as the adjustment of the Tsingtau maritime customs, posts and telegraphs, and the transfer of public properties. These subcommittees were instructed to make tentative recommendations within their respective fields, final action to be taken by the appropriate section.

The administrative section convened on June 29, consisting of Messrs. Wang, Tang, and Hsu, representing China, and of Messrs. Obata, Akiyama, and Debuchi, representing Japan. An outline was prepared covering procedure to be followed in discussing administrative problems. It was agreed that June 2, the date of the ratification of the treaty, should be the date for the transfer of the Tsingtau customs after the Chinese government had issued the necessary instructions. No agreement was reached concerning the continuance of the free zone for foreign goods under customs regulations or the maintenance of bonded warehouses. It also was not then possible to reach an agreement

regarding the transfer of warehouses on the wharves, this question being referred to the subcommittee on public property.

On June 30 the railway section met, consisting of Mr. Obata, Mr. Debuchi, and Mr. Omura, a railway expert, on behalf of Japan, and of Dr. Wang, Vice Minister of Communications Lao Chih-chang, Messrs. Lu Meng-hsiung, and Yen Te-ching, representing China. A plan of procedure was adopted and it was decided to reserve the question of inventory of railway properties for later consideration. The Japanese delegation furnished a list of the names and records of present employees of the railway and announced that the Japanese railway administration would refrain from purchasing further materials not ordered before the ratification ceremony. Subcommittees were selected to investigate and report upon the valuation of the railway properties, financial details, and the actual transfer.

The negotiations proceeded very slowly, frequently interrupted by disagreement and waiting for committee reports. One of the points in controversy was the Japanese insistence that the wharves, although to be classified as public properties, should serve as secondary security for railway redemption bonds if the railway should prove to be unable to develop sufficient revenue. The Chinese delegates declined to approve this plan, offering instead to turn the wharves over to the customs service for administration. Japan objected to that proposal and it finally was agreed to transfer them to the municipality, which in turn would allow the customs service to control them for an indefinite period. The former "free area" became known

as the "bonded area," wherein goods might be transshipped without being assessed. By October Dr. C. T. Wang was conducting the Chinese side of the negotiations almost alone, relying upon his associates only for investigations and reports. A spirit of rivalry developed between Messrs. Wang and Lao over the office of director general of Tsingtau, both men being desirous of securing the post. After months of parley an agreement on detailed arrangements for the execution of the Shantung treaty ratified in June was concluded December 5, 1922, with supplementary understandings and notes.[1]

December 10, 1922, was set as the date for the transfer of the entire administration of Kiaochow Territory to China, including necessary documents and public properties. One month was allowed thereafter in which to complete the work of transfer. The Chinese government agreed to recognize the validity of all judgments handed down by the Japanese courts in Tsingtau. The withdrawal of troops was to be completed within twenty days of December 10. Land leases which were granted or extended by the Japanese authorities might be extended thirty years beyond their original terms and on the same conditions, with possible renewal thereafter in conformity with Chinese local land regulations. Certain large farms owned or managed by Japanese nationals were to be purchased for a fair price by the government of China upon terms agreed upon by the Tsingtau Administration and Japanese consular officers.

[1] For texts, see Appendices XVIII and XIX.

Twelve sites, including land and buildings, were reserved in the possession of the Japanese government for the use of the Consulate General of Japan to be established in Tsingtau. Eleven additional sites were retained in the interests of the Japanese community, including the shrine, the war monument, the crematorium, the Tsingtau Hospital, a chemical laboratory, a building used as a community center and meeting hall by the Japanese Association, and several schools. One plot of ground was claimed by Japan for use as a cemetery instead of the spot previously used, which latter would be transferred to China. The Tsingtau observatory was relinquished by the Japanese upon assurance that the Japanese staff would be retained temporarily, without compensation from China, and that all facilities would be provided for the exchange of reports between Tsingtau and Japanese observatories elsewhere. Certain other properties, such as those occupied by the Commercial University,[1] the Marine Association, the International Club, and the Golf Club, were handed over to China with the restriction that the leases be continued without compensation. Companies were formed for the operation of the light and power plant, the stockyard, and the laundry, to be maintained by joint Chinese and foreign (including Japanese) participation. Remaining properties were given to China with varying restrictions.

One half of the Tsingtau-Sasebo cable was consigned to China, but it was understood that the Tsingtau end should continue temporarily to be operated by

[1] Apparently a university in name only.

Japan. The Chinese government is obliged to furnish the land, buildings, equipment, and materials required by the telegraph office connecting the cable with land lines. The head officer and the engineers associated with the western end of the cable are appointed by Japan, the accountant is selected by China, and it is stipulated that "many of the operators shall be Chinese." Each government is responsible for the maintenance and preservation of its own part of the cable. Special arrangements were made fixing the charges to be imposed for messages between China and Japan routed through Sasebo and Tsingtau. Upon the expiration of extant monopolies and special rights enjoyed by certain foreign companies, the Chinese agreed to refrain from granting future concessions affecting telegraphs to any foreign interest, government or individual. The Tsingtau wireless station was taken over by China upon commitment to maintain communication with vessels at sea, Dairen, and the Tsinan station so long as the latter might be operated. Messages in the Japanese syllabary were to be acceptable at the wireless and cable stations and at certain specified telegraph offices,[1] subject to a special tariff agreed upon by China and Japan. The railway telegraph and the military telephone lines were placed under Chinese control with the reservation that they be made available for public use. In the latter case, however, China was expected to employ for six months operators conversant with the Japanese language for the convenience of subscribers speaking that language.

[1] Tsingtau, Szefang, and Tsangkow.

Also, it was understood that the Chinese authorities would devise a standardized system for the use of the telephones. Previous agreements [1] between China and Japan, relative to the postal and telegraphic services in the leased territory and along the railway, were declared ineffective on the date of the transfer of the railway properties.

For a period of fifteen years Japan undertook to purchase Tsingtau salt in specified quantities,[2] with the possibility of renewed arrangements thereafter. The salt purchased by the Japanese Monopoly Bureau is restricted to the quality desired, but in cases where an inferior kind of salt is imported into Japan from Tsingtau a reduction of price is authorized. China agreed to permit the free exportation of Tsingtau salt to Korea. Compensation for the transfer of public properties and for the interests of Japanese subjects or companies actually engaged in the salt industry along the coast of Kiaochow Bay was set at sixteen million yen, of which two million yen in gold was to be paid within one month. The balance was to be covered by fifteen-year treasury notes bearing interest at six per cent, secured on the surplus of the customs revenue and the salt gabelle.

Two of the major problems still remaining are the disposition of the railway and the mining properties. The railway section of the joint commission set January 1, 1923, as the date for the transfer of the railway properties, transfer committees being appointed to complete all necessary details within one month of

[1] Entered into in 1917 and 1918.
[2] Not less than 100,000,000 kin nor more than 350,000,000 kin annually.

that date. The properties belonging to tbe railway were valued at forty million yen, Japanese currency, to be delivered to the Japanese government in the form of Kiaochow-Tsinanfu Railway Treasury Notes in denominations of one hundred thousand yen and one million yen. These notes, bearing six per cent interest, are secured on the railway properties and income which are not to be pledged for any other foreign loan or for any domestic loan without previous arrangement with Japan. The Yokohama Specie Bank in Tokyo is designated as the agency through which payments are to be made, and the Tsingtau and Tsinan branches of that bank are declared to be depositories of the railway incomes for amounts equivalent to the monthly interest installments. Additional income may be deposited elsewhere at the discretion of the railway but withdrawals of any deposits must be signed by both the Chinese and the Japanese chief accountants. Provisional notes were issued pending the preparation and issuance of the treasury notes. This agreement was signed in duplicate in the Japanese and Chinese languages, one copy of each to be preserved by each government.[1] A supplementary understanding provided that present employees of the railway should, if dismissed, be granted dismissal allowances corresponding uniformly to one month's salary.

A joint mining company[2] was chartered by the Chinese government to take over the mines of Tzechwan, Fangtze, and Chinlingchen. One half of the capital

[1] For text of this agreement, see Appendix XIX.
[2] Known as the Luta Mining Company.

was subscribed by Chinese and the other half by Japanese.[1] The corporation thus formed was under obligation to pay to Japan five million yen as compensation for the properties acquired. The shares of stock of the company are transferable only among the nationals of China or of Japan, as the case may be. Of nine directors, five are Chinese. There are two auditors—one Chinese and one Japanese. Coal is to be supplied the Kiaochow-Tsinanfu Railway at approximately cost price, in return for which the government of China engaged to accord to the mining company treatment equally favorable as that accorded other mining companies in regard to special freight charges, the assignment of cars, the erection of storehouses, and the extension of tracks.

Additional understandings and notes were attached, covering details relevant to public properties, maintenance of the communications services, ownership of land, and claims. No agreement was reached on the two last-named points, because they were considered to be beyond the competence of the joint commission. Accordingly, they were left for future negotiation.

During the late summer and autumn of 1922 the certainty of the restoration of Tsingtau to China produced a variety of reactions. Foreign business interests were concerned about the form of government which should be established. Prominent among the suggestions which were voiced was one addressed to Mr. Obata while he was visiting Shantung for the purpose of familiarizing himself with the problems to

[1] In 1926 the president of the company was Chinese. There were two vice presidents—one of each interested nationality.

be settled. A group of American and European business men urged that the harbor be placed under the control of the Chinese maritime customs, but that the wharves and godowns[1] connected with the harbor be under municipal control or supervised by some organization comprising Occidental representation. They desired the continuation of the free area. It was hoped that the municipal government should be so constituted as to admit American and European representation upon other than a property basis, because the actual property holdings of these men or firms were very small in proportion to those of the Japanese. Any arrangement on a property basis would give the Japanese a preponderant influence which was felt to be undesirable. All public works should be under municipal control, financial support therefor being derived from a share of the customs revenue collected in Tsingtau. Railway shipments should be exempt from likin levies. These men raised objection to the proposal to place the harbor under the control of the railway, partly because the railway was expected to be under the direction of a Japanese traffic manager who would be able to discriminate in favor of or against certain interests or individuals in ways prejudicial to the "open door" principle. The American Chamber of Commerce of Shanghai addressed a memorandum to the American Legation in Peking in behalf of its members having branch offices in Tsingtau.

The Shantung Rehabilitation Bureau drew up a set of proposed regulations for the Tsingtau municipality,

[1] Warehouses.

The Famous Bathing Beach in Summer

to be in force for three years. The city government was to be under the supervision of the central government at Peking which was to be represented in Tsingtau by a commercial settlement commissioner who would be held directly responsible for the administration. He should be given no other specific authority, although he would be expected to "adjust" disputes arising between the various organs and departments, without power to enforce his rulings. The Municipal Assembly was to consist of nine city and six suburban members elected for three years, one third being replaced each year. The Municipal Council was to be composed of the Municipal president, the general secretary, and the chairman and two vice chairmen of each department. The Municipal president was to be responsible for all departments but without authority over them. Foreigners were classed as "resident citizens" and were given no voice in the administration except the privilege of being "consulted" upon occasion. This entire plan is seen to be the result of compromise and bartering, an effort being made to satisfy all factions. Fortunately, it was not adopted, partly because of the charges that it disregarded treaty commitments entered into at Washington. Annex VI of the treaty in question provides that

> "pending the enactment and general application of laws regulating the system of local self-government in China, the Chinese local authorities will ascertain the views of the foreign residents in the former German-leased territory of Kiaochow in such municipal matters as may directly affect their welfare and interests."

Other schemes were presented by numerous organizations, notably the Tsingtau Self-Government Association; and many objections to proposed plans were recorded, based largely upon the disinclination of provincial officials to consent to adequate foreign representation.

Early in December, 1922, Dr. C. T. Wang announced the intention of the Chinese government to secure representation of American, British, and Japanese residents on an advisory financial committee. The practical difficulty which presented itself was that, under extraterritorial treaties, the consent of the respective consuls must be secured before their nationals can be taxed. Such consent has uniformly been granted for the payment of dog taxes, automobile taxes, and sanitation taxes as fees for service, but land taxes have not been placed in this category. During 1924 the Americans were the only nationals enjoying extraterritorial rights in Tsingtau who, upon the advice of their consul, paid the Tsingtau land taxes. Of the other foreigners in the city, the British and the Japanese refused to make payment when requested by the Chinese authorities, and the Germans and the Russians no longer enjoy extraterritorial rights. The British and the Japanese cannot be forced to pay, because the Tsingtau land tax not only is higher than elsewhere in Chinese territory but is a municipal tax levied by a local government. The Advisory Finance Committee has never convened. Later in the month further modifications in the regulations for the government of Tsingtau were proposed. The local authorities, without referring to the foreign consulates, invited one

American, one Englishman, and one Japanese to serve as advisers. It is known that no formal reply to this invitation was made by the two first-named men and that the American consul, in the absence of instructions, refused to approve of the plan.

In this connection, mention must be made of the peculiar status of the American consular representative in Tsingtau throughout the Japanese occupation. The consul withdrew during the bombardment of the city in 1914. Thereafter the Japanese administration in Tsingtau was not officially recognized by the United States government, particularly because of American refusal to accept the Shantung section of the Treaty of Versailles. Nevertheless, American participation in Tsingtau affairs has been continuous, though in an indirect way. The American representative in the city was a vice consul detailed from the Tsinan consulate. The Japanese press gave a different version of the situation, however, stating that "the fact is that the Japanese government does not officially recognize the American Consular Service."[1] It also is reported that the first American consul to enter Tsingtau after its capture bore a letter of introduction from Mr. K. Matsui, then vice minister of foreign affairs in Tokyo, to General M. Yui, commanding the forces at Tsingtau embodying the following:[2]

> "I have the honor to introduce the bearer, Mr. Willys R. Peck, who is going to your place with an entirely private and personal status and who is desirous of negotiating, when required, with the Japanese government whose good offices in extending

[1] *Seito Shimpo*, Contributor's Column, October 20, 1922.
[2] *Ibid.*

him whatever courtesies, facilities, or assistance he may stand in need of on such occasions will be appreciated."

Upon the restoration of Tsingtau to China the American flag again was hoisted officially over the leased consulate building.

Immediately before the date of transfer the British government was offered any available building for permanent use as a consulate in recognition of British assistance in driving Germany from Tsingtau. Responding to intimations that a suitable property might be offered to the United States in appreciation of American assistance in bringing about the restoration of Tsingtau, the government of the United States let it be known that it could not very well accept such a gift without giving offense to friendly states or causing jealousies.

By September, 1922, it was evident to careful observers that Japanese officials in Tsingtau, most of whom were associated with the War Department of the Japanese government, were not coöperating with the representatives of the Gaimusho, or Japanese Foreign Office. The plans for restoration were being arranged by the diplomatic service in the face of active opposition from military circles. Inasmuch as Tsingtau was administered under the direction of General M. Yui as a military government, this difference of opinion manifested itself in the reluctance of the military group to withdraw from Shantung. Apparently all sorts of obstacles and difficulties began to appear, complicating the task of the diplomatic commissioners in Peking. It is not possible to disclose details of all these machinations, but without exaggeration

it may be stated that certain Japanese military officers were in the habit of receiving commissions from contractors supplying materials and equipment to the Japanese municipal administration. Naturally, they were reluctant to lose such income and could not be relied upon to help conduct a close inquiry into costs to be used as a basis of calculation by the joint commission. Furthermore, it is almost an open secret that increased bandit activities in the vicinity of Tsingtau between June and December, 1922, were encouraged and assisted by Japanese protection and supplies, the purpose being to create the impression that continued Japanese occupation would be necessary to protect lives and property in the city.

Late in June, 1922, armed outlaws staged a midnight attack on the home of a Chinese named Liu in the village of Ch'en Chia Wu Dzi, near Kaomi, thirty-one of them carrying modern guns. After ransacking the house for clothing and valuables, the bandits made off with Mrs. Liu, the third son of the family, a servant, and two mules. Upon reaching Dung Chia Hoa, said to be within Japanese territory, the servant was thoroughly questioned and sent back on a mule with a demand for ransom. On June 27, five days after the raid, Mr. Liu sent three people with the servant to open negotiations. Passing through Tsingtau they crossed the entrance to the bay in a junk and landed within the leased territory. They found the neighborhood well picketed and were halted many times before being ushered into the presence of Djang, the bandit chief, who was gorgeously attired and surrounded by numerous aids and servants. Djang received them

courteously, accepted two hundred dollars which had been brought as a present, and feigned surprise upon hearing that the Liu family was Christian. Remarking that if in the future Christians would hang out signs to that effect they would not be molested, he explained that his sole purpose in calling upon Mr. Liu was to solicit a loan of one hundred sixty thousand dollars and that, not finding him at home, he had invited some of the Liu family to come to Dung Chia Hoa with his party in order to facilitate the discussion of the loan. Of course, he had no intention of keeping the money which was needed to pay his men and the loan would be repaid as soon as expected and overdue funds arrived. Refusing to credit the statement of the delegation that Mr. Liu possessed only forty mow of land and a few thousand dollars, Djang declared that he was well informed of the financial status of the family, gave the delegates a pass and ten dollars road money, and warned them to deliver the ransom to him only in the western end of Tsingtau. On July 10 four men paid another visit to Djang, offering one thousand dollars in cash, but failed to return, whereupon the Presbyterian Mission in Tsingtau appealed to the American Consulate to intercede in behalf of Mr. Liu, who had been in the habit of contributing generously to the mission. Early in August, General Hikita acknowledged the existence of the bandit headquarters in Japanese territory, but alleged that every time an expedition was dispatched against the pillagers they withdrew into Chinese territory. It is not customary for Japan to permit herself to be so easily evaded! And no action was taken to prevent

their reëntry into Japanese territory! A small unarmed expedition was sent by the Japanese authorities but failed to secure the release of the captives. Mr. Liu then sent a son disguised as a coolie to get news of his mother. The young man was discovered, flogged, and imprisoned with his mother and brother until about twenty-five thousand dollars was mulcted from the elder Liu.

From June to December, 1922, it is reported that between ten hundred and fifteen hundred persons were kidnaped in Shantung province by bandits believed to be the residue of six hundred Chinese troops armed and trained by General Otani during Yuan Shih-kai's imperial coup. During the summer of 1922 Marshal Chang Tso-lin sent General Chang Tsung-ch'ang with two hundred men to organize the bandits operating about Laoshan and Kiatao, but the defeat of Chang Tso-lin caused the recall of this force. Inasmuch as Chang Tso-lin was so intimately connected with the Japanese government and the South Manchuria Railway, it is an easy step to account for his action in trying to embarrass the Chinese authorities in Shantung, particularly in view of his hostility towards Marshal Wu Pei-fu, who controlled that province. And the Chinese militarists in the province made no effort to suppress the bandits because of jealousy of Dr. C. T. Wang. As a result, the outlaws operated practically unmolested throughout a region one hundred fifty miles on each side of Tsingtau along the seacoast and inland as far as Kaomi. In September, however, conditions became so bad that Wu Pei-fu ordered the Shantung troops to take some action. The Chinese

commander at Tsinan asked the coöperation of General Yui in Tsingtau, whereupon the Japanese commander called the bandit chiefs into conference, where it was agreed that he should furnish arms and ammunition for an attack on the provincial troops and the capture of Kiaochow and Tsimo. The plans miscarried and the attack failed, much to the disappointment of the Japanese. Japanese steam launches were sent with about sixty junks taken from Tsingtau to a point near Kiaochow where the bandit forces went aboard and were towed across the bay to Shoa Kiatao and up the seacoast to Laoshan Bay. During the stay of Dr. C. T. Wang in Tsingtau the Japanese launches towed the bandits from the immediate neighborhood. After he left they were towed back to Laoshan Bay.

Mao Shao-fu was selected by the Chinese provincial authorities to investigate conditions. Accompanied by the military commander, Tien Y'u-ting, he finally arranged negotiations with the bandits through intermediaries. By the close of November the outlaws agreed to forget their demands of from three thousand to eight thousand dollars from each of twenty-four villages, to release captives numbering several hundred, and to refrain from fighting after the restoration of Tsingtau upon condition that they be enlisted in the provincial forces if they desired, those not so electing were to be provided with money to take them to their homes. An inventory of their equipment disclosed six hundred rifles, one thousand large-caliber pistols, and seven hundred small pistols. Nevertheless, outrages continued within the city of Tsingtau. The Chinese Chamber of Commerce arranged a dinner at

the Tung Wha Hotel on the evening of November 30, inviting thirty guests. A group of Japanese business men and others had dinner in another room of the hotel, on the same floor on the same evening. About seven o'clock more than a score of armed bandits entered the Chamber of Commerce dining room, searched every one, and demanded a guarantee that the terms previously agreed upon would be carried out. It appeared that one of the outlaw chiefs, Sun Pai-wen, had not been consulted beforehand and had refused to concur in the settlement on the ground that he had been told by Japanese that the bandits merely were putting their heads in a noose. It is alleged that the Japanese diners heard the altercation, laughingly looked into the room, and made no effort to summon police. Three of the Chinese were forced into automobiles and taken to Laoshan, where one of them, Sun Hsiao-po, was tortured and killed the following morning. Charges were made that the Japanese conspired with bandits to seize the American and British consuls in order that their governments would demand that Japan remain in Tsingtau to protect foreigners. This, however, was not done.

The Chinese Chamber of Commerce promised Dr. C. T. Wang to raise one hundred fifty thousand dollars to assist him in completing arrangements for the transfer, of which sixty thousand dollars was paid at once to General Liang Shang-tung, who had been placed in charge of preparations assisted by a Major Wang who had graduated from the West Point Military Academy in 1918. The Chamber of Commerce also had purchased silver souvenirs to be presented to General

Yui and his staff, but because of Japanese toleration of the bandit activities they never were presented.

The day after the Tung Wha Hotel episode, the American and British consuls called upon General Yui, expressing surprise that the bandits could act with such impunity and maintain headquarters in Japanese territory. General Yui declared that he did not feel justified in interfering, in as much as the Chinese officials, while guests of Japan, had conferred secretly with the outlaws without notifying him thereof. He expressed a belief that the three Chinese who had been abducted had gone along willingly to conduct negotiations. The Japanese would confine themselves to making inquiries, as the Chinese no doubt would adjust matters when they came into power, but American and British interests were in no danger so long as the Japanese remained in Tsingtau. It became increasingly apparent that the local Japanese administration was not acting in good faith, despite its protestations of being placed in a very difficult position because of the Chinese negotiations with the bandits looking towards enlisting them as police officers. Replying to the British consul's charge that no effective steps had been taken to drive the bandits from the leased territory, General Yui stated that although it would be quite easy to do this, it was feared that they might later take revenge upon the Japanese community. Furthermore, he asserted that to his knowledge the outlaws had not committed any outrages within the territory under Japanese administration and that therefore he did not feel justified in taking definite action against them. Presumably the Japanese definition of

"outrages" differs, depending entirely upon whether Chinese or Japanese are the sufferers.

The negotiators in Peking arranged for the relinquishment of a quantity of arms and ammunition by the departing Japanese forces in order that the newly formed Chinese police might not be unduly handicapped by inadequate equipment. It was planned to replace 1,033 Japanese police with 1,807 Chinese police, which latter were found to have only three hundred rifles. The Japanese government agreed to supply thirteen hundred rifles and four machine guns, and it was hoped to complete the necessary quota by securing munitions and guns from the Chefoo naval base and by purchasing supplies from Chinese cruisers which were in need of funds to buy coal. Further arrangements were made enabling the Chinese authorities to secure from Japan one hundred thousand cartridges for use in eight machine guns, five hundred rounds of ammunition for each of about fifteen hundred rifles, and one hundred carbines. The Chinese saw further indication of bad faith and lack of coöperation between the Japanese diplomatic and military officials in the announcement of General Yui early in December that his troops would not surrender any of their equipment on leaving, but that about December 12 supplies would arrive from Japan. It was believed that this procedure was calculated not only to embarrass the Chinese administration during the first two days of its existence but to make it possible for the Japanese government to sell obsolete arms and munitions which had accumulated without depleting its stock of more up-to-date guns and ammunition. The expected arms

reached Tsingtau on schedule, December 12, and were distributed immediately, there having been no serious disorder following the formal transfer. Desultory firing was reported in various sections of the city of Tsingtau on the night of December 10, but the police had the situation well in hand and no extended demonstrations were permitted.

Because of the bandit situation, apprehension was felt by the foreign community of Tsingtau as the tenth of December approached. Although no serious disorder was anticipated, it was deemed advisable by the American and British residents to prepare a program of emergency action, covering the assembling of women and children at the Grand Hotel Annex, while the men grouped themselves at convenient points with automobiles ready for use. The *U. S. S. Asheville* and the *H. M. S. Carlisle* were expected to appear in the outer harbor, awaiting the display of red stars by night or the flag signal "NC" flown during the day on the flagstaff of one of the consulates. These precautions proved unnecessary.

The actual formal transfer of the leased territory took place at noon, December 10, 1922. On the second floor of the Headquarters of the Tsingtau Garrison, in a large reception room, the Japanese commissioners sat along one side of a long table, facing the windows which overlooked the outer harbor. Dr. Akiyama was seated in the center. The other side of the table was occupied by the Chinese commissioners, Dr. Wang sitting opposite Dr. Akiyama. At about 11:45 A. M. Dr. Akiyama commenced to read his farewell address in the Japanese language and formally

tendered the administration of the city and territory to Dr. Wang. The latter replied with words of appreciation of all that Japan had done to improve conditions and with assurance that China would do everything in her power to continue things as she found them. Precisely at noon the Japanese flag was lowered on the flagstaff overhead and the Chinese flag was raised, accompanied by salutes from Japanese ships in the harbor. The streets in the vicinity were crowded with people to witness the memorable event, which is commemorated annually by the people and officials of Tsingtau. A photograph was taken of the conferees at the table, after which the Chinese officials proceeded to their respective posts. In a few cases the Japanese administrators continued in control pending settlement of details, but the greater portion of the local government was turned over to China at this time.

Some difficulties were encountered due to the Japanese claim that the Chinese had been lax and negligent in filling various offices. It is probable that some irregularity did exist because of the dissension among certain Chinese officials commissioned to arrange the transfer. Within a few days it was announced that about one thousand bandits were to be enlisted as government troops and quartered in the Kiaochow Territory, in order to avoid pillaging and fighting. This news caused considerable anxiety among the residents, native and foreign, who were familiar with the usual caliber of such soldiers assigned to protect the city. Also, on the morning of December 16 disgruntled employees of the railway, which had not yet been transferred, declared a strike in conjunction

with wharf workers on the ground of unsatisfactory retirement allowances determined in view of their probable early dismissal by the new Chinese administration. These men, with their families, had been attracted from South Manchuria and Japan by promises of permanent posts. At that time there was no thought of restoring the territory to China and the workers had taken the promises at full value. Now they felt justly aggrieved, having lost their positions and seniority in Japan or South Manchuria and being in imminent danger of losing their positions in Shantung. The difficulty was adjusted by larger consolation payments and other compromises, and service was resumed, December 17, 1922. A British commissioner of customs, representing the Chinese maritime customs, took charge of the Tsingtau office, December 16, and the Chinese post office took over the postal services, December 11.

This concludes the period of altercation and bickering between China and Japan relative to Shantung. The Washington Conference marks the beginning of a new Japanese policy superseding the militaristic program of intimidation and force. Since 1922 the policy of the Japanese government has very noticeably changed to one of coöperation and proffered friendship with the desire to win the confidence of China. The wisdom of this policy cannot be overestimated, nor can its significance be overlooked in studying the international situation in the Far East.

CHAPTER XII

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PUBLIC opinion throughout the Western world was gratified to a considerable degree by the knowledge that China at last had succeeded in recovering possession and administration of a foreign leasehold and sphere of influence in Shantung province. Defenders of China's claims had been energetic in their declarations of confidence in her ability to maintain the territory as she received it. Chinese spokesmen had affirmed their country's resolve to demonstrate to the world its ability. All that was lacking heretofore, they said, was the opportunity. China was greatly handicapped in trying to raise purely Chinese cities to the level of service afforded by Western municipalities, having to overcome tradition and physical characteristics such as inclosing walls, absence of sanitary water supply, narrow streets, and canals. However, should China be able to recover possession of a city or territory which had been developed along modern lines she would be able to prove her competency.

With the acquisition by the Chinese government of the most perfectly planned city in the Far East, foreign advocates and Chinese alike hoped and expected good results would ensue. Dr. C. T. Wang, the first Chinese governor of Tsingtau after the restoration, was well qualified both by ideals and experience to fulfill the

high hopes entertained by friends of China. Political developments, however, compelled his withdrawal before he had had time to accomplish his aims. Subsequent appointees, with perhaps one or two outstanding exceptions, have had purely selfish interests at heart. The constant warfare between militarists has prevented any governor of Tsingtau from devoting his time or the port revenues to the needs of the city and territory. The consequence has been the deterioration of municipal properties such as the waterworks, streets, sewers, buildings, and wharves, there being no money spent for their upkeep. High taxes and excises are imposed, more than ample for the administration, but their proceeds invariably are used to defray the expenses of military or naval forces. For these reasons those who foresaw an era of prosperity for Tsingtau and Shantung after 1922 have been disheartened and disillusioned.

Throughout 1923 the administration of Tsingtau was hampered by the determination of Marshal Wu Pei-fu and his political adherents to unify China by force and thereby secure a stable government in Peking capable of maintaining order throughout the Republic. Successful military campaigns and financial manipulation of Parliament resulted in the selection of Tsao Kun as president of China, supported by Wu Pei-fu. Although Marshal Wu thereby became the dominant militarist between the Yangtze River and the Great Wall, hordes of former soldiers and ne'er-do-wells roamed about the country pillaging and burning villages. The government employed troops in endeavor to suppress the marauders and

with some success. Being hard-pressed by their pursuers the bandits decided upon a clever move calculated to embarrass the Peking authorities. Although isolated instances are on record of outrages in which foreigners were assaulted or killed, many such were accidental, in that no deliberate attempt had been made to injure or affect foreigners.

Early on the morning of May 6, 1923, the Blue Express was attacked near Lincheng, Shantung. Mr. Rothman, a British subject, was killed and twenty-six foreign men and women were captured. Most of the women were released within a day or two, but the men were taken into the neighboring hills, the last few not being freed until June 12. Negotiations were conducted in the meantime, looking towards the incorporation of the bandits into the Chinese army under their leader, Sun Mei-yao, who was to be commissioned brigadier general. The Peking legations were demanding the release of their nationals and the Chinese government was powerless to effect that release without granting the demands of the bandits. No satisfactory settlement was secured by the powers in this connection, although the provincial authorities made every effort to effect the release of the captives, and certain Chinese officials were suspended during an investigation. This incident is noteworthy as indicating the true weakness of the Peking authorities and also of the provincial authorities in trying to protect persons and property. This fact is fundamental in a discussion of China's opportunity in Tsingtau.

Mr. Kao En-hung was appointed governor of Tsingtau through the influence of Marshal Wu. Mr. Kao

was a civilian with a high sense of duty and a desire to preserve and develop the leased territory. While Marshal Wu was undisturbed in his support of the Tsao Kun administration, Governor Kao was enabled to devote considerable attention to the welfare of the city, but a serious drain upon his financial resources was imposed by the appearance of Admiral Wen Shu-teh with six of his eight vessels early in 1924.[1] Marshal Wu is reported to have used $800,000 Mex. to persuade Admiral Wen to leave Canton and come northward to support the Tsao Kun régime against Marshal Chang Tso-lin of Mukden. It was stated that the expenses of the squadron, $120,000 Mex. monthly, would be defrayed by the Peking government, but in practice this money always came from Tsingtau. With the outbreak of hostilities between Marshal Wu and Marshal Chang all possible sources of revenue were taxed and Tsingtau was expected to contribute a share. Accordingly, Governor Kao was obliged to levy an additional tax on railway shipments, one hundred per cent at first but reduced to forty per cent after numerous protests had been received. Furthermore, Chinese merchants in the city were assessed $20,000, to be made up by individual subscription.

The defection of one of Wu's trusted lieutenants, General Fêng Yü-hsiang, contributed to the defeat of Marshal Wu's main army at Shanhaikwan in October, 1924. Marshal Wu and a few loyal troops escaped by steamer, assisted by Admiral Wen's squadron.

[1] One remained at Canton and another was docked at Swatow, both being out of repair. The remaining six were only in fair condition, due to lack of funds for maintenance.

A new administration in Peking succeeded Tsao Kun, who was detained in seclusion by his captors, under the nominal leadership of Provisional Chief Executive Tuan Chi-jui. The eclipse of Wu Pei-fu immediately reflected upon the situation in Tsingtau, where Kao En-hung found himself without military support. The city had been under martial law for some time because of the civil war, and the commandant, General Wang Han-chang, automatically followed his superiors in Tsinan who professed allegiance to the new administration. Stranded officials frequently are not permitted to resign and depart in peace, the more usual custom being to impound them with the purpose of demanding ransom or putting them to death. Consequently, ex-officials, or those who shortly expect to be in that category, arrange to leave hastily for some foreign concession or Japan. It is known that many who have neglected this precaution paid for it with their lives, and Kao En-hung sought refuge in the Japanese-owned — and -protected — Grand Hotel.

General Wang persuaded the American and British consuls to invite Governor Kao to attend a conference at the British Consulate. Despite the fact that this would necessitate leaving the hotel premises and the offer by the management of a room there for a conference, the trusting governor agreed to attend. As he left the hotel on the appointed evening, he was seized by Wang's soldiers, spirited to Tsinan, and kept under surveillance for months. General Wang assumed the post of governor temporarily until Admiral Wen returned from Chefoo, where he had dissuaded Wu Pei-fu from coming to Tsingtau. Admiral Wen succeeded

to the gubernatorial mansion, securing confirmation of his coup from the provincial authorities. Being notoriously dissipated, he is reported to have been two hours late for his inauguration as a result of a preliminary celebration. During his administration there was no money available for the maintenance or preservation of public works, save the bare minimum required for current operation, with the result that further depreciation took place. Other governors have succeeded Admiral Wen, who expediently shifted his allegiance to harmonize with the advances of Marshal Chang Tso-lin during the spring of 1925, but the situation has not been improved.

A brighter spot in the story of Chinese administration has been the management of the Shantung Railway. According to the provisions of the transfer, a Japanese general manager and a Japanese auditor were to be employed to look after Japanese interests. Chinese officials were collected from the thirteen Chinese railways then in operation in an attempt to secure well-trained personnel, but the resultant difficulties due to different ideas and language were so great that an entirely new system was established. Advancement was made in replacing worn equipment during the years immediately following the restoration, but the railway was able to realize a substantial profit only in 1923. Since 1924 the military activities in Shantung province, interfering with service, commandeering locomotives and cars, and ruining trade and shipping, have handicapped the operation of the line. Therefore, Chinese administration of this railway has not had a fair trial, but the same set of circumstances are operative

as in the case of political administration. Friends of China may look in vain for evidences of ability to develop along Western lines until internal order is restored, not only in Shantung province but throughout the Chinese Republic.

As the establishment of internal order is of first importance in China's effort to make the most of opportunities of this nature, it may be profitable to outline certain factors which must be taken into account. Before the establishment of the Republic in 1912 the governmental system was in form an absolute monarchy. The emperor was clothed with all national legislative authority and with the power to appoint officials. In practice, however, local affairs were administered by heads of families or of guilds or of village communities, with but little regard for formal edicts or statutes. Appointees were selected on the basis of their success in a series of examinations in Chinese classics. Taxes were levied and collected, the proceeds being apportioned between local and national treasuries; the farther the collecting official was removed from Peking the smaller the returns to the imperial government. The Chinese people never have been accustomed to any powerful central authority attempting to regulate their daily lives.

The Constitution of the Chinese Republic, promulgated at Nanking, March 11, 1912, by President Yuan Shih-kai, provided for the election of a president by Parliament, both houses of which in turn should be elected by a qualified electorate distributed in geographical districts. Popular elections, however, are as yet inoperative. Parliaments have sat in Peking

composed of members selected by military leaders. Presidents have been elected by Parliaments, but accompanied by charges of bribery and coercion.

Yuan Shih-kai was able to maintain himself in the presidency by skillful manipulation of military governors in the various provinces, managing to preserve in them a feeling of personal loyalty. Upon his death these governors fell to quarreling among themselves concerning the succession, and no one of them was able to secure mastery of the situation. The majority of those leaders went into retirement, voluntary or compulsory, and some of their subordinates came into prominence, including Chang Tso-lin, Wu Pei-fu, Fêng Yü-hsiang, and Sun Chuan-fang. These militarists joined forces with one another or have campaigned against each other from time to time in their efforts to secure and retain control of the Peking government or of a group of provinces. The result has been a decade of civil warfare, in northern China in particular, imposing great hardship upon the populace, increasing the number and daring of bandit hordes, disrupting communications, endangering life and property of Chinese and foreigners alike, and giving an aspect of hopelessness to the situation. None of them apparently was supported by any active public opinion, nor was any specific program announced of ends to be attained. Of course, each has declared his unswerving purpose to unify China and to better the condition of the people, but care seems to have been taken to confine such pronouncements to generalities.

Another factor which must be taken into account is the recent spread of the nationalist movement. Thirty years ago a group of young Chinese forced the temporary retirement of the empress dowager, permitting the emperor Kuang Hsü to assume direction of the government. He issued a series of reform edicts based upon modern concepts of the functions of a state, such as a revised system of education, encouragement of the construction of railroads, and reforms within the government. Lacking sufficient support, this movement faded in the face of the return of the empress dowager to power within a few months. Ten years later, however, the sentiment therein expressed had become sufficiently strong to induce the imperial government to concede a program of gradual advance towards the ideal of popular government. This program never gained much headway, because of its eclipse by the republican movement under the leadership of Sun Yat-sen, and also partly because of the steady weakening of the power of the Manchus.

The revolutionary movement developed rapidly from a mutiny of subordinate officers of a Chinese regiment at Wuchang in 1911. Yuan Shih-kai, an official under the emperor, was commissioned to suppress the outbreak. Instead, he compromised with the republican leaders so successfully that he was selected as the first president of the Republic of China, after Sun Yat-sen had retired in his favor.

Sun Yat-sen soon perceived that the government of Yuan Shih-kai was republican only in name, and he devoted the remainder of his life to creating at Canton what he considered to be a real republic.

Sun Yat-sen apparently lacked the genius of commanding the coöperation of other leaders of the nationalist movement, with the result that during his tenure in Canton but little progress was made. The death of Dr. Sun in Peking, in March, 1925, opened the way for a new group of leaders. Among these must be mentioned T. V. Soong, Cantonese minister of finance, who increased the revenues fourfold by eliminating leaks in the financial plumbing commonly known as "squeeze." Wang Chung-wei has been instrumental in perfecting the civil administration. Chang Kai-shek has supplied the necessary military ability, making possible the successful invasion of northern China by the forces under his command.

Prior to 1925 the authorities in control of northern China were aided by associates of experience and ability far surpassing those connected with the Canton government. Since 1925 it is significant that the nationalist movement at last appears to have produced practical as well as idealistic officials. Of course it cannot be said that all ability and experience had deserted the Peking government. The point which should be made clear is that the opposing factions, North and South, for the first time were evenly matched in these respects.

The organization through which the Cantonese are acting is the Kuomintang, or People's Party. This is the only political party in China in the sense in which that term is understood in the West. A central executive committee exercises complete supervision of party activities between conventions, much as does the National Committee of a political party in the

United States. Members of this committee theoretically are elected by the party and the party is supposed to determine its policies in convention. As in the United States, the actual control rests with the committee. Many of the officials are enrolled in the Central Executive Committee. Members of the Kuomintang may be found throughout the world among Chinese of liberal tendencies, who support Sun Yat-sen's "three principles" — people's nationalism, people's sovereignty, and people's livelihood. These three aims are placed before the world in concrete planks in the party program which are outlined as follows:[1]

I. Foreign Policies

1. The abolition of all treaties not based on the equality of both contracting parties. Under this head, extraterritoriality, the foreign-controlled customs duties, and all political rights which foreign nations now exercise in the country ought to be abolished, and new treaties, based on the principle of mutual recognition of sovereign rights, to be concluded.

2. All nations which voluntarily relinquish their special rights mentioned and are willing to abrogate all treaties derogatory to China's sovereignty, China recognizes as most-favored nations.

3. All other treaties which infringe upon the national interests of China ought to be reconsidered. During their reconsideration mutual respect for the sovereign rights of both contracting powers is to be recognized as the fundamental principle.

4. China's external debts ought, within the limits of political and industrial security, to be guaranteed and refunded.

5. All of China's external debts which have been negotiated by irresponsible governments, such as the Peking government that came into power in October, 1923, and have not been used for the promotion of the people's welfare but for the maintenance of personal honors and offices and the prosecution

[1] Manifesto issued by the National Convention of Kuomintang, January 21, 1924; translated into English by the Executive Committee of Kuomintang Students' League, New York.

of civil wars, are unwarranted. The Chinese people are not responsible for the repayment of such debts.

6. A national convention to which professional groups of all provinces (such as banking associations and chambers of commerce) ought to be called in order to devise ways and means for the funding of China's external debts, thus enabling her to escape from the semidependent state into which she has been thrown.

II. Domestic Policies

1. We advocate neither extreme centralization nor extreme decentralization. A middle course between these two is to be preferred. All that concerns the nation at large ought properly to belong to the central government; and all that affects the interests of particular localities fall properly to the respective local governments concerned.

2. The peoples of the various provinces have the right to make their own provincial constitutions and to elect their own governors. But it is to be understood that such provincial constitutions so made are not to be in conflict with the National Constitution. The governors are on the one hand administrators of the rights of self-government in their respective provinces, and on the other, representatives of the central government from which they receive orders for the administration of national affairs.

3. Recognition of the hsien (county) as the unit of self-government. The people of all such self-governed hsien have the rights of directly electing and recalling officials, as well as those of initiative and referendum.

All tax proceeds from lands, accretion in land values, the produce of public lands, revenues derived from the utilization of forests and rivers, receipts from mining and water power — all these accrue to the local government which undertakes to use them for administering local affairs, providing institutions for the care of the young, the aged, and the poor and dependent, aiding sufferers from famines and other natural disasters, and promoting sanitation and other kinds of public welfare.

When the financial capacity of the hsien is insufficient to exploit its natural resources or to undertake large-scale industrial and commercial enterprises, the central government is to render such aid as is necessary. The net profits therefrom are to be equally shared by the central and local governments.

Each hsien undertakes to contribute a certain percentage of its receipts to the treasury of the central government, the

minimum and maximum of such contribution being limited to ten per cent and fifty per cent, respectively.

4. The abolition of existing electoral laws based on property as the criterion, and the promulgation of universal suffrage.

5. Recognition of the rights of the people to assemble, to organize, to express themselves either in speech or in print, to reside wherever they please and to enjoy the freedom of belief.

6. The gradual transformation of the present mercenary to conscriptive military service. At the same time attention will be given to improvement of the economic condition of non-commissioned officers and soldiers, and also their legal status; agricultural and vocational training for the soldiers, stricter and more specific qualifications of officers, and the revision of the procedure of dismissal.

7. In coöperation with the industrial world, the rehabilitation of the idle and vicious, making them productive social factors again.

8. The enactment of laws governing the rate of rent, both urban and rural, and prohibiting overcharge and fraud; the abolition of likin, etc., included.

9. Census to be taken. Conservation of arable land, regulation of production and consumption of farm produce to insure equitable distribution.

10. The betterment of agricultural communities and the amelioration of rural life.

11. Labor legislation; the improvement of the living conditions of workers and protection and encouragement of labor organizations.

12. The recognition of the principle of sex equality, legally, economically, educationally, and socially, and the indorsement of the feminist movement.

13. Universal education based upon the principle of individualization; the reorganization of the educational system; the increase and protection of educational funds.

14. The enactment of land laws, laws regulating the use of land, laws governing the taxation of land produce and of the assessed value of land. The value of lands privately owned, after having been properly assessed by their owner, must be reported to the government which will levy taxes on them proportionate to their value, and, if necessary, the government will exercise the right of eminent domain.

15. All enterprises which partake of the nature of a monopoly, or assume proportions incommensurate with the financial resources of individual *entrepreneurs*, such as railroads

and shipping industries, shall be undertaken and administered by the state.

The above-itemized program embodies the indispensable minimum of our party program and constitutes an immediate step to the salvation of China.

Perusal of the platform given above reveals provisions of a socialist nature which might be ascribable to Russian influence, but it is not evident that Sovietism or Communism is present in the degree which is widely believed. It is a fact that the Nationalist government has employed Russians in advisory and administrative capacities and without doubt these individuals influence the policies of the Kuomintang to some extent. The charge that the Kuomintang is trying to Bolshevize China, however, is unsubstantiated by facts. The probabilities of the success of any such attempt are few indeed and presumably none knows it better than the Central Executive Committee of the Kuomintang. Although the above-outlined program differs in important respects from accepted government policy in the United States, certain of the newer European states are experimenting along similar lines, and we do not label them Bolshevik.

So far as can be ascertained at the time of this writing, China, with the exception of Manchuria, Mongolia, Sinkiang, and Tibet, is enjoying the comparative tranquillity of a unified political control. In the early summer of 1928 the Nationalists, with the assistance of elusive and unreliable Fêng Yü-hsiang and of Yen Hsi-shan, forced Chang Tso-lin to evacuate Peking. During the withdrawal of the Fengtien troops, Chang Tso-lin was killed by the bombing of

his railway car near Mukden. For days his death was concealed, to allow time and opportunity for a reorganization of authority under the nominal headship of his son, Chang Hsueh-liang. The professed desire of Chang Hsueh-liang to adhere to the Nationalist group was denounced by Japan as injurious to Japanese interests in Manchuria, as the Nationalist government is unsympathetic toward those interests. Chang Hsueh-liang has to date refrained from further gestures toward Nanking. Certain Western states, including the United States, have extended *de facto* recognitition to the Nanking government and unofficial negotiations have been opened looking towards an amicable adjustment of the outstanding problems. The Cantonese statesmen are inclined to make the most of the opportunity to rearrange some of the inequalities in China's foreign relations to which they have taken outspoken exception.

The situation which has arisen provokes some disagreement as to the actual extent of China's opportunity. From the point of view of the West, China is not yet prepared to benefit greatly. Internal conditions are such that life and property will be in jeopardy for a number of years. The Chinese legal system is as yet in its infancy, as measured by Western standards of codification of law and judicial practice. Education is possessed by a very small percentage of the population. Communications are incomplete and inadequate to the needs of such an expansive country. Intercourse between various sections of China is hindered or entirely prevented by the diversity of

dialects and the absence of a generally accepted written language which all can understand. Political office still is regarded as a sinecure from which to swell personal fortunes. Political genius is conspicuously absent. For these reasons, among others, it is said that China is not in a position to take full advantage of her opportunity. Should the powers abandon their concessions and extraterritorial rights, only chaos and disaster would result. Chinese as well as foreign interests would be protected but inadequately, if at all, and what little advancement has been achieved by foreign example and assistance would be sacrificed.

Many Chinese spokesmen set about refuting these arguments in eloquent style. They declare that with the removal of the concessions as havens of refuge for evildoers, the Chinese authorities would be better able to apprehend fugitives from justice. Although the Chinese legal system may be defective in Western eyes, it serves China's purposes, which is the primary consideration. Many Americans, for example, have been displeased with Italian judicial measures, but that would not warrant a demand for extraterritorial rights in Italy. The same might be said of other countries of Continental Europe. Comparatively few of the people possess an education, but there are sufficient highly trained men to conduct the government until more can be equipped. It would be the policy of any Chinese government to perfect communications either by foreign or domestic loans, and progress is being made in the problem of persuading a conservative people to accept a new written language with only one thousand characters to be learned. In answer

Kuangsu Road, a Typical Residential Street

to the charge that Chinese officeholders are often notoriously corrupt, we are reminded that even the most advanced Western states seem to experience similar difficulties.

The major portion of the question seems to hinge upon the point of view of the observer. Foreigners visiting Tsingtau before 1914 and revisiting the city after 1922 lament the failure of the Chinese to preserve the beautiful streets in their original condition, the sight of houses and other buildings with broken windows and other signs of disrepair, and other indications of deterioration. Presumably the same would happen in Tientsin or Shanghai under Chinese administration, and we in the West apply the brand of maladministration, indifference, lack of civilization, or what-not. From the point of view of the Chinese, however, these cities are foreign in every respect. They have no more desire to perpetuate anything which to them is undesirable and unnecessary than we would have to preserve a Chinese city which might be built in the United States, merely moving into it without remodeling it to suit our tastes and needs. To many Chinese, good roads and fine streets are unnecessary and extravagant, and accordingly they have no incentive to repair them. The features of the foreign cities and concessions which appeal to them as being desirable will be perpetuated and the others will not. Furthermore, any people would rather struggle along with less comfort but under its own government than have luxuries imposed by a benevolent outside force. We in the United States are aware of certain unpleasant features of our governmental

system, but we would not welcome utopian conditions purchased at the price of outside control, however benevolent.

These two points of view come into sharp contact in Tsingtau. Civil governors or directors general have succeeded one another with disturbing rapidity. Municipal finances have fallen into confusion. Much-needed repairs and improvements have been neglected. Heavy tax burdens have been imposed without the necessary corollary of improved service or facilities. The foreign population has been much more irritated by these conditions than the Chinese because of its different concept of the functions of a city government, and complaints have been legion. Foreseeing the probability of just such conditions, provision was made in the Washington Treaty and subsequent annexes and agreements for the establishment in Tsingtau of a system of local self-government wherein the foreign residents in the former leased territory should have a voice in the management of such municipal matters as might directly affect their welfare and interests. Among such municipal matters, that of the management and maintenance of public works was specifically declared to be one in which the foreign community should have fair representation. China having expressed her firm intention to properly administer the territory upon its restoration, American public opinion favored giving her an opportunity to do so rather than adopting the suggestion that Tsingtau should be internationalized, somewhat after the fashion of Shanghai. Since the restoration no steps have been taken to put these treaty provisions into effect.

The time is ripe for an administrator of vision, who will put the welfare of China and of Tsingtau ahead of considerations of personal ambition, to render lasting service to his country by speedily providing for the establishment of a municipal council as contemplated in the treaty. In this council all elements of the Tsingtau community must be fairly represented. It should be given power to supervise all receipts and expenditure of public funds. The director general should be given a suspensory veto which may be overridden by a two-thirds vote of the total membership of the council. The director general would assume his proper rôle as an executive official, administering the municipal enterprises, but would not be in a position to control the finances.

In addition to the Chinese population, there are Japanese, Russian, English, American, and German communities to be represented. At various times suggestions have been advanced for selecting a municipal council, but any attempt to distribute membership on the basis of property holdings, business interests, or population has resulted in bickerings between international groups, endless discussion, and no decision. The Japanese have held out for membership upon one of the three bases mentioned above, for the logical reason that they would receive a large share of the councilmen. The English and the Americans have opposed any such apportionment, and, together with the Japanese, have been reluctant to consider the Russian and German communities at all.

Chinese writers and observers have complained that any plan of the nature proposed would infringe China's

sovereignty by admitting to participation in municipal affairs any voices except Chinese. Of course, this would impair Chinese sovereignty to a limited extent, but we must not overlook the fact that China herself agreed to such an arrangement in the Washington Treaty. The very negotiation and conclusion of an international treaty is an act of sovereignty. If, in the exercise of its sovereign power, a state divests itself of a shade of sovereign rights in order to secure greater sovereign rights (in this case, the former German-leased territory of Kiaochow), it is difficult to sustain an argument attempting to show that such abandonment of sovereignty is illegal. Whatever may be the views of people on this point, the fact remains that the Chinese government has been unwilling or unable or both to live up to this provision in the treaty.

Under present conditions it is problematical whether foreigners will be admitted to a voice in the administration of Tsingtau. It is difficult to state whether such participation, if granted, would be desirable or practicable. But the West will be unable to overlook the spectacle of Tsingtau in considering the question of abandoning any other leaseholds or concessions.

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APPENDICES

APPENDIX I

Treaty Between Germany and China, March 6, 1898

The incidents connected with the Mission in the Prefecture of Tsao-chau-foo, in Shantung, being now closed, the Imperial Chinese Government consider it advisable to give a special proof of their grateful appreciation of the friendship shown to them by Germany. The Imperial German and Imperial Chinese governments, therefore, inspired by the equal and mutual wish to strengthen the bonds of friendship which unite the two countries, and to develop the economic and commercial relations between the subjects of the two States, have concluded the following separate Convention:

Section I

Article I. Rights ceded to German troops.— His Majesty the Emperor of China, guided by the intention to strengthen the friendly relations between China and Germany, and at the same time to increase the military readiness of the Chinese Empire, engages, while reserving to himself all rights of sovereignty in a zone of fifty kilometers (one hundred Chinese li) surrounding the Bay of Kiao-chau at high-water, to permit the free passage of German troops within this zone at any time, as also to abstain from taking any measures, or issuing any Ordinances therein, without the previous consent of the German Government, and especially to place no obstacle in the way of any regulation of the water-courses which may prove to be necessary.

Rights reserved.—His Majesty the Emperor of China, at the same time, reserves to himself the right to station troops within that zone, in agreement with the German Government, and to take other military measures.

Article II. Territory leased.— With the intention of meeting the legitimate desire of His Majesty the German Emperor, that Germany, like other Powers should hold a place on the Chinese coast for the repair and equipment of her ships, for the storage of materials and provisions for the same, and for other arrangements connected therewith, His Majesty the Emperor of China cedes to Germany on lease, provisionally for ninety-nine years, both sides

of the entrance to the Bay of Kiao-chau. Germany engages to construct, at a suitable moment, on the territory thus ceded, fortifications for the protection of the buildings to be constructed there and of the entrance to the harbor.

Article III. Limits of territory leased.— In order to avoid the possibility of conflicts, the Imperial Chinese Government will abstain from exercising rights of sovereignty in the ceded territory during the term of the lease, and leaves the exercise of the same to Germany within the following limits :

1. On the northern side of the entrance to the bay :

The peninsula bounded to the northeast by a line drawn from the north-eastern corner of Potato Island to Loshan Harbour.

2. On the southern side of the entrance to the bay :

The peninsula bounded to the south-west by a line drawn from the southwesternmost point of the bay lying to the south-southwest of Chiposan Island in the direction of Tolosan Island.

3. The Island of Chiposan and Potato Island.

4. The whole water area of the bay up to the highest watermark at present known.

5. All islands lying seaward from Kiao-chau Bay, which may be of importance for its defence, such as Tolosan, Chalienchow, etc.

Delimitation.— The High Contracting Parties reserve to themselves to delimit more accurately, in accordance with local traditions, the boundaries of the territory leased to Germany and of the fifty-kilometer zone around the bay, by means of Commissioners to be appointed on both sides.

Rights of Chinese ships in Kiao-chau Bay.— Chinese ships of war and merchant vessels shall enjoy the same privileges in the Bay of Kiao-chau as the ships of other nations on friendly terms with Germany ; and the entrance, departure, and sojourn of Chinese ships in the bay shall not be subject to any restrictions other than those which the Imperial German Government, in virtue of the rights of sovereignty over the whole of the water area of the bay transferred to Germany, may at any time find it necessary to impose with regard to the ships of other nations.

Article IV. Navigation signals.— Germany engages to construct the necessary navigation signals on the islands and shallows at the entrance of the bay.

Port dues.— No dues shall be demanded from Chinese ships of war and merchant-vessels in the Bay of Kiao-chau, except those which may be levied upon other vessels for the purpose of maintaining the necessary harbour arrangements and quays.

Article V. Return of leased territory.— Should Germany at some future time express the wish to return Kiao-chau Bay to China before the expiration of the lease, China engages to refund

to Germany the expenditure she has incurred at Kiao-chau, and to cede to Germany a more suitable place.

Germany engages at no time to sublet the territory leased from China to another Power.

Chinese in leased territory.— The Chinese population dwelling in the ceded territory shall at all times enjoy the protection of the German government, provided that they behave in conformity with law and order; unless their land is required for other purposes they may remain there.

If land belonging to Chinese owners is required for any other purpose, the owner will receive compensation therefor.

Customs stations.—As regards the re-establishment of Chinese customs stations which formerly existed outside the ceded territory, but within the fifty-kilometer zone, the Imperial German Government intends to come to an agreement with the Chinese Government for the definitive regulation of the customs frontier, and the mode of collecting customs duties, in a manner which will safeguard all the interests of China, and proposes to enter into further negotiations on the subject.

Section II. Railway and Mining Affairs

Article I. The Chinese Government sanctions the construction by Germany of two lines of railway in Shantung. The first will run from Kiao-chau via Weihsien, Tsingchofu, Poshan, Tzechwan, and Tsowping to Tsinan and the boundary of Shantung. The second line will run from Kiao-chau to Ichowfu, and from there to Tsinan via Laiwuhsien. But the construction of the extension from Tsinan to the boundary of Shantung shall not be begun until the railway is completed as far as Tsinan in order that further consideration may be given by the Chinese as to how they will connect this with their own trunk line. The route to be taken by this last branch will be drawn up hereafter.

Article II. In order to carry out the above-mentioned railway work, a Chino-German company shall be formed. This Company may have offices in one place or in several places, and both German and Chinese merchants shall be at liberty to invest money therein, and share in the appointment of directors for the management of the undertaking.

Article III. Germany and China shall in the near future draw up a further agreement relative to the management of the railway by the Company, and all matters pertaining thereto shall be discussed and decided upon by these two countries alone. But

the Chinese Government shall afford every facility to the Chino-German Company in the construction of the road, and it shall enjoy all the advantages and benefits extended to other Chinese-foreign companies operating in China. It is understood that the object of this agreement is solely the development of commerce, and in constructing this railroad there is no intention to unlawfully seize any land in the Province of Shantung.

Article IV. The Chinese Government will allow German subjects to hold and develop mining property for a distance of thirty li from each side of those railways and along the whole extent of the lines. The following places where min ng operations may be carried on are particularly specified : Weihsien and Poshan along the line of the northern railway from Kiao-chau to Tsinan, and Ichow, Laiwuhsien, etc., along the southern or Kiao-chau-Ichow-Tsinan line. Both German and Chinese capital may be invested in these mining and other operations, but as to the rules and regulations relating thereto, this shall be left for future consideration. The Chinese Government shall afford every facility and protection to German subjects engaged in these works, just as provided for above in the article relating to railway construction, and all the advantages and benefits shall be extended to them that are enjoyed by the members of other Chinese-foreign companies. The object in this case is also the development of commerce solely.

Section III. Commercial Operations in Shantung

The Chinese Government binds itself in all cases where foreign assistance, in persons, capital, or material, may be needed for any purpose whatever within the Province of Shantung, to offer the said work or supplying of materials in the first instance to German manufacturers and merchants engaged in undertakings of the kind in question. In case German manufacturers and merchants are not inclined to undertake the performance of such works, or the furnishing of materials, China shall then be at liberty to act as she pleases.

The above Agreement shall be ratified by the Sovereigns of both the Contracting States, and the ratifications exchanged in such manner, that after the receipt in Berlin of the Treaty ratified by China, the copy ratified by Germany shall be handed to the Chinese Minister in Germany.

The foregoing Treaty has been drawn up in four copies, two in German and two in Chinese, and was signed by the Representatives

of the two Contracting States on the 6th March, 1898, corresponding to the 14th day of the second month in the twenty-fourth year Kuang-hsü.

(Great Seal of the Tsung-li Yamên.)

(*Signed*) BARON VON HEYKING,
The Imperial German Minister.

LI HUNG-CHANG (in Chinese),
Imperial Chinese Grand Secretary,
Minister of the Tsung-li Yamên,
etc., etc.

WENG TUNG-HO (in Chinese),
Imperial Chinese Grand Secretary,
Member of the Council of State,
Minister of the Tsung-li Yamên,
etc., etc.

APPENDIX II

GREAT BRITAIN AND JAPAN

The Governments of Great Britain and Japan, actuated solely by a desire to maintain the *status quo* and general peace in the Extreme East, being moreover specially interested in maintaining the independence and territorial integrity of the Empire of China and the Empire of Korea, and in securing equal opportunities in those countries for the commerce and industry of all nations, hereby agree as follows:

Article I. The High Contracting Parties having mutually recognized the independence of China and of Corea, declare themselves to be entirely uninfluenced by any aggressive tendencies in either country. Having in view, however, their special interests, of which those of Great Britain relate principally to China, while Japan, in addition to the interests which she possesses in China, is interested in a peculiar degree politica ly as well as commercially and industrially in Corea, the High Contracting Parties recognize that it will be admissible for either of them to take such measures as may be indispensable in order to safeguard those interests if threatened either by the aggressive action of any other Power, or by disturbances arising in China or Corea, and necessitating the intervention of either of the High Contracting Parties for the protection of the lives and property of its subjects.

Article II. If either Great Britain or Japan, in the defense of their respective interests as above described, should become involved in war with another Power, the other High Contracting Party will maintain a strict neutrality, and use its efforts to prevent other Powers from joining in hostilities against its ally.

Article III. If, in the above event, any other Power or Powers should join in hostilities against that ally, the other High Contracting Party will come to its assistance, and will conduct the war in common, and make peace in mutual agreement with it.

Article IV. The High Contracting Parties agree that neither of them will, without consulting the other, enter into separate arrangements with another Power to the prejudice of the interests above described.

Article V. Whenever, in the opinion of either Great Britain or Japan, the above-mentioned interests are in jeopardy, the two Governments will communicate with one another ful y and frankly.

Article VI. The present Agreement shall come into effect immediately after the date of its signature, and remain in force for five years from that date.

In case neither of the High Contracting Parties should have notified twelve months before the expiration of the said five years the intention of terminating it, it shall remain binding until the expiration of one year from the day on which either of the High Contracting Parties shall have denounced it. But if, when the date fixed for its expiration arrives, either ally is actually engaged in war, the alliance shall, *ipso facto*, continue until peace is concluded.

In faith whereof the Undersigned, duly authorized by their respective Governments, have signed this Agreement and have affixed thereto their seals.

Done in duplicate at London, the 30th day of January, 1902.

(L.S.) (*Signed*) LANSDOWNE,
His Britannic Majesty's Principal Secretary of State for Foreign Affairs.

(L.S.) (*Signed*) HAYASHI,
Envoy Extraordinary and Minister Plenipotentiary of His Majesty the Emperor of Japan at the Court of St. James.

APPENDIX III

FRANCO-RUSSIAN DECLARATION REGARDING THE ANGLO-JAPANESE ALLIANCE

" The allied Governments of Russia and France have received a copy of the Anglo-Japanese Agreement of the 30th January, 1902, concluded with the object of maintaining the *status quo* and the

general peace in the Far East, and preserving the independence of China and Korea, which are to remain open to the commerce and industry of all nations, and have been fully satisfied to find therein affirmed the fundamental principles which they have themselves, on several occasions, declared to form the basis of their policy, and which still remain so.

"The two Governments consider that the observance of these principles is at the same time a guarantee of their special interests in the Far East. Nevertheless, being obliged themselves also to take into consideration the case in which either the aggressive action of third Powers, or the recurrence of disturbances in China, jeopardizing the integrity and free development of that Power, might become a menace to their own interests, the two allied Governments reserve to themselves the right to consult in that contingency as to the means to be adopted for securing those interests.

"St. Petersburg, March 3 (16), 1902."

APPENDIX IV

Great Britain and Japan

Preamble

The Governments of Great Britain and Japan, being desirous of replacing the Agreement concluded between them on the 30th January, 1902, by fresh stipulations, have agreed upon the following Articles, which have for their object:

(*a*) The consolidation and maintenance of the general peace in the regions of Eastern Asia and of India;

(*b*) The preservation of the common interests of all Powers in China by insuring the independence and integrity of the Chinese Empire and the principle of equal opportunities for the commerce and industry of all nations in China;

(*c*) The maintenance of the territorial rights of the High Contracting Parties in the regions of Eastern Asia and of India, and the defence of their special interests in the said regions:

Article I. It is agreed that whenever, in the opinion of either Great Britain or Japan, any of the rights and interests referred to in the preamble of this Agreement are in jeopardy, the two Governments will communicate with one another fully and frankly, and will consider in common the measures which should be taken to safeguard those menaced rights or interests.

Article II. If by reason of unprovoked attack or aggressive action, wherever arising, on the part of any other Power or Powers, either Contracting Party should be involved in war in defense of its territorial rights or special interesst mentioned in the preamble of this Agreement, the other Contracting Party will at once come to the assistance of its ally, and will conduct the war in common, and make peace in mutual agreement with it.

Article III. Japan possessing paramount political, military, and economic interests in Corea, Great Britain recognizes the right of Japan to take such measures of guidance, control, and protection in Corea as she may deem proper and necessary to safeguard and advance those interests, provided always that such measures are not contrary to the principle of equal opportunities for the commerce and industry of all nations.

Article IV. Great Britain having a special interest in all that concerns the security of the Indian frontier, Japan recognizes her right to take such measures in the proximity of that frontier as she may find necessary for safeguarding her Indian possessions.

Article V. The High Contracting Parties agree that neither of them will, without consulting the other, enter into separate arrangements with another Power to the prejudice of the objects described in the preamble of this Agreement.

Article VI. As regards the present war between Japan and Russia, Great Britain will continue to maintain strict neutrality unless some other Power or Powers should join in hostilities against Japan, in which case Great Britain will come to the assistance of Japan, and will conduct the war in common, and make peace in mutual agreement with Japan.

Article VII. The conditions under which armed assistance shall be afforded by either Power to the other in the circumstances mentioned in the present Agreement, and the means by which such assistance is to be made available, will be arranged by the Naval and Military authorities of the Contracting Parties, who will from time to time consult one another fully and freely upon all questions of mutual interest.

Article VIII. The present Agreement shall, subject to the provisions of Article VI, come into effect immediately after the date of its signature, and remain in force for ten years from that date.

In case neither of the High Contracting Parties should have notified twelve months before the expiration of the said ten years the intention of terminating it, it shall remain binding until the expiration of one year from the day on which either of the High Contracting Parties shall have denounced it. But if, when the date fixed for its expiration arrives, either ally is actually engaged in war, the alliance shall, *ipso facto*, continue until peace is concluded.

In faith whereof the Undersigned, duly authorized by their respective Governments, have signed this Agreement and have affixed thereto their Seals.

Done in duplicate at London, the 12th day of August, 1905.

(L.S.) LANSDOWNE,
His Britannic Majesty's Principal Secretary of State for Foreign Affairs.

(L. S.) TADASU HAYASHI,
Envoy Extraordinary and Minister Plenipotentiary of His Majesty the Emperor of Japan at the Court of St. James.

APPENDIX V

GREAT BRITAIN AND JAPAN

Preamble

The Government of Great Britain and the Government of Japan, having in view the important changes which have taken place in the situation since the conclusion of the Anglo-Japanese Agreement of the 12th August, 1905, and believing that a revision of that Agreement responding to such changes would contribute to general stability and repose, have agreed upon the following stipulations to replace the Agreement above mentioned, such stipulations having the same object as the said Agreement, namely ;

(*a*) The consolidation and maintenance of the general peace in the regions of Eastern Asia and of India ;

(*b*) The preservation of the common interests of all Powers in China by insuring the independence and integrity of the Chinese Empire and the principle of equal opportunities for the commerce and industry of all nations in China ;

(*c*) The maintenance of the territorial rights of the High Contracting Parties in the regions of Eastern Asia and of India, and the defence of their special interests in the said regions :

Article I. It is agreed that whenever, in the opinion of either Great Britain or Japan, any of the rights and interests referred to in the preamble of this Agreement are in jeopardy, the two Governments will communicate with one another fully and frankly, and will consider in common the measures which should be taken to safeguard those menaced rights or interests.

Article II. If by reason of unprovoked attack or aggressive action, wherever arising, on the part of any Power or Powers, either High Contracting Party should be involved in war in defense of its territorial rights or special interests mentioned in the preamble of this Agreement, the other High Contracting Party will at once come to the assistance of its ally, and wi l conduct the war in common, and make peace in mutual agreement with it.

Article III. The High Contracting Parties agree that neither of them will, without consulting the other, enter into separate arrangements with another Power to the prejudice of the objects described in the preamble of this Agreement.

Article IV. Should either High Contracting Party conclude a treaty of general arbitration with a third Power, it is agreed that nothing in this Agreement shall entail upon such Contracting Party an obligation to go to war with the Power with whom such treaty of arbitration is in force.

Article V. The conditions under which armed assistance shall be afforded by either Power to the other in the circumstances mentioned in the present Agreement, and the means by which such assistance is to be made available, will be arranged by the Naval and Military authorities of the High Contracting Parties, who will from time to time consult one another fully and freely upon all questions of mutual interest.

Article VI. The present Agreement shall come into effect immediately after the date of its signature, and remain in force for ten years from that date.

In case neither of the High Contracting Parties should have notified twelve months before the expiration of the said ten years the intention of terminating it, it shall remain binding until the expiration of one year from the day on which either of the High Contracting Parties shall have denounced it. But if, when the date fixed for its expiration arrives, either ally is actually engaged in war, the alliance shall, *ipso facto*, continue until peace is concluded.

In faith whereof the Undersigned, duly authorised by their respective Governments, have signed this Agreement, and have affixed thereto their Seals.

Done in duplicate at London, the 13th day of July, 1911.

E. Grey,
His Britannic Majesty's Principal Secretary of State for Foreign Affairs.

Takaaki Kato,
Ambassador Extraordinary and Plenipotentiary of His Majesty the Emperor of Japan at the Court of St. James.

APPENDIX VI

The Original Secret Twenty-One Demands of Japan to China, January 18, 1915[1]

Group I

The Japanese Government and the Chinese Government, being desirous of maintaining the general peace in Eastern Asia and further strengthening the friendly relations and good neighborhood existing between the two nations, agree to the following articles :

Article I. The Chinese Government engages to give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government relating to the disposition of all rights, interests and concessions, which Germany, by virtue of treaties or otherwise, possesses in relation to the province of Shantung.

Article II. The Chinese Government engages that within the Province of Shantung and along its coast no territory or island will be ceded or leased to a third Power under any pretext.

Article III. The Chinese Government consents to Japan's building a railway from Chefoo or Lungkow to join the Kiaochou-Tsinanfu railway.

Article IV. The Chinese Government engages, in the interest of trade and for the residence of foreigners, to open by herself as soon as possible certain important cities and towns in the Province of Shantung as commercial ports. What places shall be opened are to be jointly decided upon by the two governments in a separate agreement.

Group II

The Japanese Government and the Chinese Government, since the Chinese Government has always acknowledged the special position enjoyed by Japan[2] in South Manchuria and Eastern Inner Mongolia, agree to the following articles :

Article I. The two Contracting Parties mutually agree that the term of lease of Port Arthur and Dalny and the term of the lease of the Manchurian Railway and the Antung-Mukden Railway shall be extended to the period of ninety-nine years.

[1] Official Text as published by the Chinese Government.

[2] The Japanese text reads: "has always recognized the predominant position of Japan."

Article II. Japanese subjects in South Manchuria and Eastern Inner Mongolia shall have the right to lease or own land required either for erecting suitable buildings for trade and manufacture or for farming.

Article III. Japanese subjects shall be free to reside and travel in South Manchuria and Eastern Inner Mongolia and to engage in business and in manufacture of any kind whatsoever.

Article IV. The Chinese Government agrees to grant to Japanese subjects the right of opening the mines in South Manchuria and Eastern Inner Mongolia. What mines are to be opened shall be decided upon by the two governments jointly.

Article V. The Chinese Government agrees that in respect to the two cases mentioned herein below the consent of the Japanese Government shall be first obtained before action is taken:

(*a*) Whenever permission is granted to the subject of a third Power to build a railway or to make a loan with a third Power for the purpose of building a railway in South Manchuria and Eastern Inner Mongolia.

(*b*) Whenever a loan is to be made with a third Power pledging the local taxes of South Manchuria and Eastern Inner Mongolia as security.

Article VI. The Chinese Government agrees that if the Chinese Government employs political, financial or military advisers or instructors in South Manchuria or Eastern Inner Mongolia, the Japanese Government shall first be consulted.

Article VII. The Chinese Government agrees that the control and management of the Kirin-Changchun Railway shall be handed over to the Japanese Government for a term of ninety-nine years dating from the signing of this agreement.

Group III

The Japanese Government and the Chinese Government, seeing that Japanese financiers and the Hanyehping Company have close relations with each other at present, and desiring that the common interests of the two nations shall be advanced, agree to the following articles:

Article I. The two Contracting Parties mutually agree that when the opportune moment arrives the Hanyehping Company shall be made a joint concern of the two nations, and they further agree that without the previous consent of Japan, China shall not by her own act dispose of the rights and property of whatsoever nature of the said Company nor cause the said Company to dispose freely of the same.

Article II. The Chinese Government agrees that all mines in the neighborhood of those owned by the Hanyehping Company shall not be permitted, without the consent of the said Company, to be worked by other persons outside of the said Company; and further agrees that if it is desired to carry out any undertaking which, it is apprehended, may directly or indirectly affect the interests of the said Company, the consent of the said Company shall first be obtained.

Group IV

The Japanese Government and the Chinese Government, with the object of effectively preserving the territorial integrity of China, agree to the following special artiele:

The Chinese Government engages not to cede or lease to a third Power any harbour or bay or island along the coast of China.

Group V

Article I. The Chinese Government shall employ influential Japanese as advisers in political, financial and military affairs.

Article II. Japanese hospitals, churches and schools in the interior of China shall be granted the right of owning land.

Article III. Inasmuch as the Japanese Government and the Chinese Government have had many cases of dispute between Japanese and Chinese police to settle, cases which have caused no little misunderstanding, it is for this reason necessary that the police department of important places in China shall be jointly administered by Japanese and Chinese, or that the police department of these places shall employ numerous Japanese, so that they may at the same time help to plan for the improvement of the Chinese police service.

Article IV. China shall purchase from Japan a fixed amount of munitions of war (say fifty per cent or more) of what is needed by the Chinese Government, or there shall be established in China a Sino-Japanese jointly worked arsenal. Japanese technical experts are to be employed and Japanese material to be used.

Article V. China agrees to grant to Japan the right of constructing a railway connecting Wuchang with Kiukiang and Nanchang, another line between Nanchang and Hangchow, and another between Nanchang and Chaochou.

Article VI. If China needs foreign capital to work mines, build railways and construct harbor-works (including dock-yards) in the Province of Fukien, Japan shall be first consulted.

Article VII. China agrees that Japanese subjects shall have the right of missionary propaganda in China.

APPENDIX VII

The Eleven Demands of Japan upon China, 1915

I. In relation to the Province of Shantung :

1. Engagement on the part of China to consent to all matters that may be agreed upon between Japan and Germany with regard to the disposition of all rights, interests, and concessions, which in virtue of treaties or otherwise, Germany possesses in relation to the Province of Shantung.

2. Engagement not to alienate or lease upon any pretext the province of Shantung or any portion thereof and any island lying near the said coast.

3. Grant to Japan the right of construction of a railway connecting Chefoo or Lungkow and the Tsinan-Kiaochow Railway.

4. Addition of open marts in the Province of Shantung.

II. In relation to South Manchuria and Eastern Inner Mongolia.

1. Extension of the terms of the lease of Kwantung, the South Manchurian Railway, and the Antung-Mukden Railway.

2. (*A*) Acquisition by the Japanese of the right of residence and ownership of land.

(*B*) Grant to Japan of the mining rights of mines specified by Japan.

3. Obligation on the part of China to obtain in advance the consent of Japan if she grants railway concessions to any third Power, or procures the supply of capital from any Power for railway construction or a loan from any other Power on the security of any duties or taxes.

4. Obligation on the part of China to consult Japan before employing advisers or tutors regarding political, financial, or military matters.

5. Transfer of the management and control of the Kirin-Changchun Railway to Japan.

III. Agreement in principle that, at an opportune moment in the future, the Hanyehping Company should be placed under Japanese and Chinese co-operation.

IV. Engagement in accordance with the principle of the maintenance of the territorial integrity of China, not to alienate or lease any ports and bays on, or any island near, the coast of China.

APPENDIX VIII

Revised Demands of Japan upon China, April 26, 1915

Group I

The Japanese Government and the Chinese Government, being desirous of maintaining the general peace in Eastern Asia and further strengthening the friendly relations and good neighborhood existing between the two nations, agree to the following articles:

Article I. The Chinese Government engages to give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government, relating to the disposition of all rights, interests and concessions, which Germany, by virtue of treaties or otherwise, possesses in relation to the Province of Shantung.

Article II. (Changed into an exchange of notes.) The Chinese Government declares that within the Province of Shantung and along its coast no territory or island will be ceded or leased to any Power under any pretext.

Article III. The Chinese Government consents that as regards the railway to be built by China herself from Chefoo or Lungkow to connect with the Kiaochow-Tsinanfu Railway, if Germany is willing to abandon the privilege of financing the Chefoo-Weihsien line, China will approach Japanese capitalists to negotiate for a loan.

Article IV. The Chinese Government engages, in the interest of trade and for the residence of foreigners, to open by China herself as soon as possible certain suitable places in the Province of Shantung as Commercial Ports.

(Supplementary Exchangeof Notes)

The places which ought to be opened are to be chosen, and the regulations are to be drafted, by the Chinese Government, but the Japanese Minister must be consulted before making a decision.

Group II

The Japanese Government and the Chinese Government, with a view to developing their economic relations in South Manchuria and Eastern Inner Mongolia, agree to the following articles:

Article I. The two contracting Powers mutually agree that the term of lease of Port Arthur and Dalny and the terms of the South Manchurian Railway and the Antung-Mukden Railway, shall be extended to ninety-nine years.

(Supplementary Exchange of Notes)

The term of lease of Port Arthur and Dalny shall expire in the eighty-sixth year of the Republic or 1997. The date for restoring

the South Manchurian Railway to China shall fall due in the ninety-first year of the Republic or 2002. Article 12 in the original South Manchurian Railway Agreement that it may be redeemed by China after thirty-six years after the traffic is opened is hereby cancelled. The term of the Antung-Mukden Railway shall expire in the ninety-sixth year of the Republic, or 2007.

Article II. Japanese subjects in South Manchuria may lease or purchase the necessary land for erecting suitable buildings for trade and manufacture or for prosecuting agricultural enterprises.

Article III. Japanese subjects shall be free to reside and travel in South Manchuria and to engage in business and manufacture of any kind whatsoever.

Article IIIa. The Japanese subjects referred to in the preceding two articles, besides being required to register with the local authorities pass-ports which they must procure under the existing regulations, shall also submit to police laws and ordinances and tax regulations, which are approved by the Japanese consul. Civil and criminal cases in which the defendants are Japanese shall be tried and adjudicated by the Japanese consul; those in which the defendants are Chinese shall be tried and adjudicated by Chinese Authorities. In either case an officer can be deputed to the court to attend the proceedings. But mixed civil cases between Chinese and Japanese relating to land shall be tried and adjudicated by delegates of both nations conjointly in accordance with Chinese law and local usage. When the judicial system in the said region is completely reformed, all civil and criminal cases concerning Japanese subjects shall be tried entirely by Chinese law courts.

Article IV. (Changed to an exchange of notes.) The Chinese Government agrees that Japanese subjects shall be permitted forthwith to investigate, select, and then prospect for and open mines at the following places in South Manchuria, apart from those mining areas in which mines are being prospected for or worked; until the Mining Ordinance is definitely settled, methods at present in force shall be followed.

Province of Fengtien

Locality	*District*	*Mineral*
Niu Hsin T'ai	Penhsi	Coal
Tien Shih Fu Kou	Penhsi	Coal
Sha Sung Kang	Hailung	Coal
T'ieh Ch'ang	T'unghua	Coal
Nuan Ti T'ang	Chin	Coal
An Shan Chan region	From Liaoyang to Penhsi	Iron

Province of Kirin (Southern Portion)

Locality	*District*	*Mineral*
Sha Sung Kang	Holung	Coal and Iron
Kang Yao	Chilin (Kirin)	Coal
Chia P'i Kou	Huatien	Coal

Article V. (Changed to an exchange of notes.) The Chinese Government declares that China will hereafter provide funds for building railways in South Manchuria ; if foreign capital is required, the Chinese Government agrees to negotiate for the loan with Japanese capitalists first.

Article Va. (Changed to an exchange of notes.) The Chinese Government agrees hereafter, when a foreign loan is to be made on the security of the taxes of South Manchuria (not including customs and salt revenue on the security of which loans have already been made by the Central Government), it will negotiate for the loan with Japanese capitalists first.

Article VI. (Changed to an exchange of notes.) The Chinese Government declares that hereafter if foreign advisers or instructors on political, financial, military or police matters, are to be employed in South Manchuria, Japanese will be employed first.

Article VII. The Chinese Government agrees speedily to make a fundamental revision of the Kirin-Changchun Railway Loan Agreement, taking as a standard the provisions in railway loan agreements made heretofore between China and foreign financiers. If, in the future, more advantageous terms than those in existing railway loan agreements are granted to foreign financiers, in connection with railway loans, the above agreement shall again be revised in accordance with Japan's wishes.

All existing treaties between China and Japan relating to Manchuria shall, except where otherwise provided for by this Convention, remain in force.

1. The Chinese Government agrees that hereafter when a foreign loan is to be made on the security of the taxes of Eastern Inner Mongolia, China must negotiate with the Japanese Government first.

2. The Chinese Government agrees that China will herself provide funds for building railways in Eastern Inner Mongolia; if foreign capital is required, she must negotiate with the Japanese Government first.

3. The Chinese Government agrees, in the interest of trade and for the residence of foreigners, to open by China herself, as soon as possible, certain suitable places in Eastern Inner Mongolia as

Commercial Ports. The places which ought to be opened are to be chosen, and the regulations are to be drafted, by the Chinese Government, but the Japanese Minister must be consulted before making a decision.

4. In the event of Japanese and Chinese desiring jointly to undertake agricultural enterprises and industries incidental thereto, the Chinese Government shall give its permission.

Group III

The relations between Japan and the Hanyehping Company being very intimate, if those interested in the said Company come to an agreement with the Japanese capitalists for co-operation, the Chinese Government shall forthwith give its consent thereto. The Chinese Government further agrees that, without the consent of the Japanese capitalists, China will not convert the Company into a state enterprise, nor confiscate it, nor cause it to borrow and use foreign capital other than Japanese.

Group IV

China to give a pronouncement by herself in accordance with the following principle :

No bay, harbour, or island along the coast of China may be ceded or leased to any Power.

Notes to Be Exchanged

A

As regards the right of financing a railway from Wuchang to connect with the Kiukiang-Nanchang line, the Nanchang-Hangchow Railway, and the Nanchang-Chaochow Railway, if it is clearly ascertained that other Powers have no objection, China shall grant the said right to Japan.

B

As regards the right of financing a railway from Wuchang to connect with the Kiukiang-Nanchang Railway, a railway from Nanchang to Hangchow and another from Nanchang to Chaochow, the Chinese Government shall not Grant the said right, to any foreign Power before Japan comes to an understanding with the other Power which is heretofore interested therein.

Notes to Be Exchanged

The Chinese Government agrees that no nation whatever is to be permitted to construct, on the coast of Fukien Province, a dock-yard, a coaling station for military use, or a naval base ; not to be

authorised to set up any other military establishment. The Chinese Government further agrees not to use foreign capital for setting up the above-mentioned construction or establishment.

Mr. Lu, the Minister of Foreign Affairs, stated as follows :

1. The Chinese Government shall, whenever, in future, it considers this step necessary, engage numerous Japanese advisers.

2. Whenever, in future, Japanese subjects desire to lease or purchase land in the interior of China for establishing schools or hospitals, the Chinese Government shall forthwith give its consent thereto.

3. When a suitable opportunity arises in future, the Chinese Government will send military officers to Japan to negotiate with Japanese military authorities the matter of purchasing arms or that of establishing a joint arsenal.

Mr. Hioki, the Japanese Minister, stated as follows :

As relates to the question of the right of missionary propaganda, the same shall be taken up again for negotiation in future.

APPENDIX IX

American Identical Note to China and Japan, May 13, 1915

"In view of the circumstances of the negotiations which have taken place or which are now pending between the Government of China and the Government of Japan and the agreements which have been reached as a result thereof, the Government of the United States has the honour to notify the Government of the Chinese Republic (and Japan) that it cannot recognize any agreement or understanding which had been entered into, or which may be entered into, between the Governments of China and Japan impairing the treaty rights of the United States and its citizens in China, the political or territorial integrity of the Republic of China, or the international policy commonly known as the Open-Door policy."

APPENDIX X

Secret Compacts Regarding Tsingtau

On the basis of the following secret agreements entered into between Great Britain, France, Russia, and Italy, Japan forced the Peace Conference to yield Tsingtau :

British Embassy,
Tokyo, Feb. 16, 1917.

My dear Excellency:

With reference to the subject of our conversation of the 27th ultimo, when Your Excellency informed me of the desire of the Imperial Government to receive an assurance that on the occasion of a Peace Conference, His Britannic Majesty's Government will support the claims of Japan in regard to the disposal of Germany's rights in Shantung and possessions in the islands north of the equator, I have the honor, under instructions received from His Britannic Majesty's Principal Secretary of State for Foreign Affairs to communicate to you the following message from His Britannic Majesty's Government:

His Britannic Majesty's Government accede with pleasure the request of the Japanese Government for an assurance that they will support Japan's claims in regard to the disposal of Germany's rights in Shantung and possessions in the islands north of the equator on the occasion of the Peace Conference; it being understood that the Japanese Government will in the eventual peace settlement treat in the same spirit Great Britain's claims to the German islands south of the equator.

I avail myself of this opportunity, M. le Ministre, to renew to Your Excellency the assurance of my highest consideration.

Conynghame Greene,
His Britannic Majesty's Ambassador.

His Excellency Viscount Ichiro Motono, His Imperial Japanese Majesty's Minister for Foreign Affairs.

To which Viscount Motono replied:

The Japanese Government is deeply appreciative of the friendly spirit in which your Government has given assurance and happy to note it as fresh proof of the close ties that unite the two allied Powers. I take pleasure in stating that the Japanese Government on its part is fully prepared to support in the same spirit the claims which may be put forward at the Peace Conference by His Britannic Majesty's Government in regard to the German possessions in the islands south of the equator.

Three days later, Motono sent the following notes to the French and Russian ambassadors in Tokyo:

The Imperial Japanese Government has not yet formally entered into conversations with the Entente powers concerning the conditions of peace I propose to present to Germany, because it is guided

by the thought that such questions ought to be decided in concert between Japanese and the said powers at the moment when the peace negotiations begin. Nevertheless, in view of recent developments in the general situation, and in view of the particular arrangements concerning peace conditions, such as arrangements relative to the disposition of the Bosphorus, Constantinople, and the Dardanelles, being already under discussion by the Powers interested, the Imperial Japanese Government believes that the moment has come for it also to express its desires relative to certain conditions of peace essential to Japan, and to submit them for the consideration of the Government of the French Republic.

The French Government is thoroughly informed of all the efforts the Japanese Government has made in a general manner to accomplish its task in the present war, and particularly to guarantee for the future the peace of Oriental Asia and the security of the Japanese Empire, for which it is absolutely necessary to take from Germany its bases of political, military, and economic activity in the Far East.

Under these conditions the Imperial Japanese Government proposes to demand from Germany at the time of the peace negotiations the surrender of the territorial and special interests Germany possessed before the war in Shantung and the islands situated north of the equator in the Pacific Ocean.

The Imperial Japanese Government confidently hopes the Government of the French Republic, realizing the legitimacy of these demands, will give assurance that, her case being proved, Japan may count upon its full support on this question.

It goes without saying that reparation for damages caused to the life and property of the Japanese people by the unjustifiable attacks of the enemy, as well as other conditions of peace of a character common to all the Entente powers, are entirely outside the consideration of the present question.

The Reply of the French Ambassador

The Government of the French Republic is disposed to give the Japanese Government its accord in regulating at the time of the peace negotiations questions vital to Japan concerning Shantung and the German islands in the Pacific north of the equator. It also agrees to support the demands of the Imperial Japanese Government for the surrender of the rights Germany possessed before the war in this Chinese province and in these islands.

M. Briand demands, on the other hand, that Japan give its support to obtain from China the breaking of its diplomatic relations with Germany, and that it give this act desirable significance. The consequences of this in China should be the following :

First, handing passports to the German diplomatic agents and consuls.

Second, the obligation of all under German jurisdiction to leave Chinese territory.

Third, the internment of German ships in Chinese ports and the ultimate requisition of these ships in order to place them at the disposition of the Allies following the example of Italy and Portugal. According to the information of the French Government there are fifteen German ships in Chinese ports, totalling about forty thousand tons.

Fourth, requisition of German commercial houses established in China ; forfeiting the right of Germany in the concessions she possesses in certain parts [ports ?] of China.

Russia and Italy also gave their acquiescence in this matter, correspondence between Japan and Italy being exchanged at Rome, not in Tokyo.

APPENDIX XI

The Lansing-Ishii Agreement, November 2, 1917

Excellency :

I have the honour to communicate herein my understanding of the agreement reached by us in our recent conversations touching the questions of mutal interest to our Governments relating to the Republic of China.

In order to silence mischievous reports that have from time to time been circulated, it is believed by us that a public announcement once more of the desires and intentions shared by our two Governments with regard to China is advisable.

The Governments of the United States and Japan recognize that territorial propinquity creates special relations between countries, and, consequently, the Government of the United States recognizes that Japan has special interests in China, particularly in the part to which her possessions are contiguous.

The territorial sovereignty of China, nevertheless, remains unimpaired and the Government of the United States has every confidence in the repeated assurances of the Imperial Japanese Government that while geographical position gives Japan such special interests they have no desire to discriminate against the trade of other nations or to disregard the commercial rights heretofore granted by China in treaties with other Powers.

The Governments of the United States and Japan deny that they have any purpose to infringe in any way the independence or territorial integrity of China, and they declare, furthermore, that

they always adhere to the principle of the so-called "Open Door" or equal opportunity for commerce and industry in China.

Moreover, they mutually declare that they are opposed to the acquisition by any Government of any special rights or privileges that would affect the independence or territorial integrity of China or that would deny to the subjects or citizens of any country the full enjoyment of equal opportunity in the commerce and industry of China.

I shall be glad to have Your Excellency confirm this understanding of the agreement reached by us.

Accept, Excellency, the renewed assurance of my highest consideration.

ROBERT LANSING.

APPENDIX XII

LETTER FROM GENERAL TASKER H. BLISS TO PRESIDENT WILSON

HOTEL DE CRILLON, PARIS,
April 29, 1919.

MY DEAR MR. PRESIDENT:

Last Saturday morning you told the American Delegation that you desired suggestions, although not at that moment, in regard to the pending matter of certain conflicting claims between Japan and China centering about the alleged German rights. My principal interest in the matter is with sole reference to the question of the moral right or wrong involved. From this point of view I discussed the matter this morning with Mr. Lansing and Mr. White. They concurred with me and requested me to draft a hasty note to you on the subject.

Since your conference with us last Saturday, I have asked myself three or four Socratic questions the answers to which make me, personally, quite sure on which side the moral right lies.

First. Japan bases certain of her claims on the right acquired by conquest. I asked myself the following questions: Suppose Japan had not succeeded in her efforts to force the capitulation of the Germans at Tsingtau; suppose that the armistice of November 11 had found her still fighting the Germans at that place, just as the armistice found the English still fighting the Germans in South-East Africa. We would then oblige Germany to dispose of her claims in China by a clause in the Treaty of Peace. Would it occur to any one that, as a matter of right, we should force Germany to cede her claims to Japan rather than to China? It seems to me that it would occur to every American that we would then have

the opportunity that we have long desired to force Germany to correct, in favor of China, the great wrong which she began to do to the latter in 1898. What moral right has Japan acquired by her conquest of Shantung assisted by the British? If Great Britain and Japan secured no moral right to sovereignty over various savages inhabiting islands in the Pacific Ocean, but, on the other hand, we held that these peoples shall be governed by mandates under the League of Nations, what moral right has Japan acquired to the suzerainty (which she would undoubtedly eventually have) over thirty million Chinese in the sacred province of Shantung?

Second. Japan must base her claims either on the Convention with China or on the right of conquest, or on both. Let us consider her moral right under either of these points.

(*a*) If the United States has not before this recognized the validity of the rights claimed by Japan under her Convention with China, what has happened since the Armistice that would justify us in recognizing their validity now?

(*b*) If Germany had possessed territory, in full sovereignty, on the east coast of Asia, a right to this territory, under international law, could have been obtained by conquest. But Germany possessed no such territory. What then was left for Japan to acquire by conquest? Apparently nothing but a lease extorted under compulsion from China by Germany. I understood that international lawyers hold that such a lease, or the rights acquired, justly or unjustly, under it, cannot be acquired by conquest.

Third. Suppose Germany says to us, "We will cede our lease and all rights under it, but we will cede them back to China." Will we recognize the justice of Japan's claims to such an extent that we will threaten Germany with further war unless she cedes these rights to Japan rather than to China?

Again, suppose that Germany, in her hopelessness of resistance to our demands, should sign without question a clause ceding these rights to Japan, even though we know that this is so wrong that we would not fight in order to compel Germany to do it, what moral justification would we have in making Germany do this?

Fourth. Stripped of all words that befog the issue, would we not, under the guise of making a treaty with Germany, really be making a treaty with Japan by which we would compel one of our Allies (China) to cede against her will these things to Japan? Would not this action be really more unjustifiable than the one which you have refused to be a party to on the Dalmatian Coast? Because, in the latter case, the territory in dispute did not belong to one of the Allies, but to one of the Central Powers; the question in Dalmatia is as to which of two friendly powers we shall give territory taken from an enemy power; in China the question is,

Shall we take certain claimed rights from one friendly power in order to give them to another friendly power?

It would seem to be advisable to call particular attention to what the Japanese mean when they say that they will return Kiao-chow to China. They *do not* offer to return the railway, the mines, or the port, i. e., Tsingtau. The leased territory included a portion of land on the north-east side of the entrance of the Bay and another on the south-west and some islands. It is a small territory. The fifty-kilometer zone was not included. That was a *limitation* put upon the movement of German troops. They could not go beyond the boundary of the zone. Within this zone China enjoyed all rights of sovereignty and administration.

Japan's proposal to abandon the zone is somewhat of an impertinence, since she has violated it ever since she took possession. She kept troops all along the railway line until recently and insists on maintaining in the future a guard at Tsinan, two hundred fifty-four miles away. The zone would restrict her military movements, consequently she gives it up.

The proposals she makes are (1) to open the whole bay. It is from fifteen to twenty miles from the entrance to the northern shore of the bay. (2) To have a Japanese exclusive concession at a *place* to be designated by her, i. e., she can take just as much as she likes of the territory around the bay. It may be as the present leased territory, but more likely it will include only the best part of Tsingtau. What then does she give up? Nothing but such parts of the leased territory as are of no value.

The operation then would amount chiefly to an exchange of two pieces of paper — one cancelling the lease for seventy-eight years, the other granting a more valuable concession which would amount to a permanent title to the port. Why take two years to go through this operation?

If it be right for a policeman, who recovers your purse, to keep the contents and claim that he has fulfilled his duty in returning the empty purse, then Japan's conduct may be tolerated.

If it be right for Japan to annex the territory of an Ally, then it cannot be wrong for Italy to retain Fiume taken from the enemy.

If we support Japan's claim, we abandon the democracy of China to the domination of the Prussianized militarism of Japan.

We shall be sowing dragons' teeth.

It can't be right to do wrong even to make peace. Peace is desirable, but there are things dearer than peace, justice and freedom.

Sincerely yours,

T. H. Bliss.

The President.

APPENDIX XIII

Section VIII of the Versailles Treaty Bearing on Shantung, June 28, 1919

Article 156

Germany renounces, in favour of Japan, all her rights, title and privileges—particularly those concerning the territory of Kiaochow, railways, mines and submarine cables — which she acquired in virtue of the Treaty concluded by her with China on March 6, 1898, and of all other arrangements relative to the Province of Shantung.

All German rights in the Tsingtao-Tsinanfu Railway, including its branch lines, together with its subsidiary property of all kinds, stations, shops, fixed and rolling stock, mines, plant and material, for the exploitation of the mines, are and remain acquired by Japan, together with all rights and privileges attaching thereto.

The German State submarine cables from Tsingtau to Shanghai and from Tsingtao to Chefoo, with all the rights, privileges and properties attaching thereto, are similarly acquired by Japan, free and clear of all charges and encumbrances.

Article 157

The movable and immovable property owned by the German State in the territory of Kiaochow, as well as all the rights which Germany might claim in consequence of the works or improvements made or of the expenses incurred by her, directly or indirectly, in connection with this territory, are and remain acquired by Japan, free and clear of all charges and encumbrances.

Article 158

Germany shall hand over to Japan within three months from the coming into force of the present Treaty the archives, registers, plans, title-deeds and documents of every kind, wherever they may be, relating to the administration, whether civil, military, financial, judicial or other, of the territory of Kiaochow.

Within the same period Germany shall give particulars to Japan of all treaties, arrangements or agreements relating to the rights, title or privileges referred to in the two preceding articles.

APPENDIX XIV

China's Invitation to the Washington Conference

The President is deeply gratified at the cordial response to his suggestion that there should be a conference on the subject of

limitation of armament, in connection with which Pacific and Far Eastern questions should also be discussed.

It is quite clear that there can be no final assurance of the peace of the world in the absence of the desire for peace, and the prospect of reduced armaments is not a hopeful one unless this desire finds expression in a practical effort to remove causes of misunderstanding and to seek ground for agreement as to principles and their application. It is the earnest wish of this Government that through an interchange of views, with the facilities afforded by a conference, it may be possible to find a solution of Pacific and Far Eastern problems, of unquestioned importance at this time — that is, such common understandings with respect to matters which have been and are of internal concern as may serve to promote enduring friendship among our peoples.

It is not the purpose of this Government to attempt to define the scope of the discussion in relation to the Pacific and Far East, but, rather, to leave this to be the subject of suggestions to be exchanged before the meeting of the conference, in the expectation that the spirit of friendship and a cordial appreciation of the importance of the elimination of sources of controversy, will govern the final decision.

Accordingly, in pursuance of the proposal which has been made in the light of the gracious indication of its acceptance, the President invites the Government of the Republic of China to participate in the discussion of Pacific and Far Eastern questions, in connection with the Conference on the Subject of Limitation of Armament, to be held in Washington on the eleventh day of November, 1921.

APPENDIX XV

The Agenda of the Washington Conference, 1921

In advance of the meeting of the Conference the Department of State prepared a tentative statement of agenda which was submitted to the invited Powers. It was as follows :

Limitation of Armament.

One. Limitation of Naval Armament, under which shall be discussed

(*a*) Basis of limitation.
(*b*) Extent.
(*c*) Fulfillment.

Two. Rules for control of new agencies of warfare.

Three. Limitation of Land Armament.

Pacific and Far Eastern Questions.
One. Questions relating to China.
First: Principles to be applied.
Second: Application.
Subjects: (*a*) Territorial integrity.
(*b*) Administrative integrity.
(*c*) Open door—equality of commercial and industrial opportunity.
(*d*) Concessions, monopolies, or preferential economic privileges.
(*e*) Development of railways, including plans relating to Chinese Eastern Railway.
(*f*) Preferential railroad rates.
(*g*) Status of existing commitments.
Two. Siberia.
(similar headings).
Three. Mandated Islands.
(Unless questions earlier settled.)
Electrical communications in the Pacific.

Under the heading of "Status of Existing Commitments" it is expected that opportunity will be afforded to consider and to reach an understanding with respect to unsettled questions involving the nature and scope of commitments under which claims of rights may hereafter be asserted.

APPENDIX XVI

Treaty for the Settlement of Outstanding Questions Relative to Shantung, February 4, 1922

Japan and China, being equally animated by a sincere desire to settle amicably and in accordance with their common interest outstanding questions relative to Shantung, have resolved to conclude a treaty for the settlement of such questions, and have to that end named as their Plenipotentiaries, that is to say:

His Majesty the Emperor of Japan:
Baron Tomosaburo Kato, Minister of the Navy;
Baron Kijuro Shidehara, Ambassador Extraordinary and Plenipotentiary; and
Masanao Hanihara, Vice Minister for Foreign Affairs;
His Excellency the President of the Chinese Republic:
Sao-Ke Alfred Sze, Envoy Extraordinary and Minister Plenipotentiary;
Vikyuin Wellington Koo, Envoy Extraordinary and Minister Plenipotentiary; and
Chung-Hui Wang, Former Minister of Justice;

Who, having communicated to each other their respective full powers, found to be in good and due form, have agreed upon the following Articles:

Section I

Restoration of the Former German Leased Territory of Kiaochow

Article I. Japan shall restore to China the former German-leased territory of Kiaochow.

Article II. The Government of Japan and the Government of the Chinese Republic shall each appoint three Commissioners to form a Joint Commission, with powers to make and carry out detailed arrangements relating to the transfer of the administration of the former German Leased Territory of Kiaochow and to the transfer of public properties in the said Territory and to settle other matters likewise requiring adjustment.

For such purposes, the Joint Commission shall meet immediately upon the coming into force of the present Treaty.

Article III. The transfer of the administration of the former German Leased Territory of Kiaochow and the transfer of the public properties in the said Territory, as well as the adjustment of other matters under the preceding Article, shall be completed as soon as possible, and, in any case, not later than six months from the date of the coming into force of the present Treaty.

Article IV. The Government of Japan undertakes to hand over to the Government of the Chinese Republic upon the transfer to China of the administration of the former German Leased Territory of Kiaochow, such archives, registers, plans, title-deeds and other documents in the possession of Japan, or certified copies thereof, as may be necessary for the transfer of the administration, as well as those that may be useful for the subsequent administration by China of the said Territory and of the Fifty Kilometer Zone around Kiaochow Bay.

Section II

Transfer of Public Properties

Article V. The Government of Japan undertakes to transfer to the Government of the Chinese Republic all public properties including land, buildings, works or establishments in the former German Leased Territory of Kiaochow, whether formerly possessed by the German authorities, or purchased or constructed by the Japanese authorities during the period of the Japanese administration of the said Territory, except those indicated in Article VII of the present Treaty.

Article VI. In the transfer of the public properties under the preceding Article, no compensation will be claimed from the Government of the Chinese Republic: Provided, however, that for those purchased or constructed by the Japanese authorities, and also for the improvements on or additions to those formerly possessed by the German authorities, the Government of the Chinese Republic shall refund a fair and equitable proportion of the expenses actually incurred by the Government of Japan, having regard to the principle of depreciation and continuing value.

Article VII. Such public properties in the former German Leased Territory of Kiaochow as are required for the Japanese Consulate to be established in Tsingtao shall be retained by the Government of Japan, and those required more especially for the benefit of the Japanese community, including public schools, shrines, and cemeteries, shall be left in the hands of the said community.

Article VIII. Details of the matters referred to in the preceding three Articles shall be arranged by the Joint Commission provided for in Article II of the present Treaty.

Section III

Withdrawal of Japanese Troops

Article IX. The Japanese troops, including gendarmes, now stationed along the Tsingtao-Tsinanfu Railway and its branches, shall be withdrawn as soon as the Chinese police or military force shall have been sent to take over the protection of the Railway.

Article X. The disposition of the Chinese police or military force and the withdrawal of the Japanese troops under the preceding Article may be effected in sections.

The date of the complction of such process for each section shall be arranged in advance between the competent authorities of Japan and China.

The entire withdrawal of such troops shall be effected within three months, if possible, and, in any case, not later than six months, from the date of the signature of the present Treaty.

Article XI. The Japanese garrison at Tsingtao shall be completely withdrawn simultaneously, if possible, with the transfer to China of the administration of the former German Leased Territory of Kiaochow, and, in any case, not later than thirty days from the date of such transfer.

Section IV

Maritime Customs at Tsingtao

Article XII. The Custom-House of Tsingtao shall be made an integral part of the Chinese Maritime Customs upon the coming into force of the present treaty.

Article XIII. The Provisional Agreement of August 6, 1915, between China and Japan relating to the reopening of the Office of the Chinese Maritime Customs at Tsingtao shall cease to be effective upon the coming into force of the present Treaty.

Section V

Tsingtao-Tsinanfu Railway

Article XIV. Japan shall transfer to China the Tsingtao-Tsinanfu Railway and its branches, together with all other properties appurtenant thereto, including wharves, warehouses and other similar properties.

Article XV. China undertakes to reimburse to Japan the actual value of all the railway properties mentioned in the preceding Article.

The actual value to be reimbursed shall consist of the sum of fifty-three million four hundred and six thousand, one hundred and forty-one (53,406,141) gold Marks (which is the assessed value of such portions of the said properties as was left behind by the Germans), or its equivalent, plus the amount which Japan, during her Administration of the Railway, has actually expended for permanent improvement on or additions to the said properties, less a suitable allowance for depreciation.

It is understood that no charge will be made with respect to the wharves, warehouses and other similar properties mentioned in the preceding Article, except for such permanent improvements on or additions to them as may have been made by Japan, during her administration of the Railway, less a suitable allowance for depreciation.

Article XVI. The Government of Japan and the Government of the Chinese Republic shall each appoint three Commissioners to form a Joint Railway Commission, with powers to appraise the actual value of the Railway properties on the basis defined in the preceding Article, and to arrange the transfer of the said properties.

Article XVII. The transfer of all the Railway properties under Article XIV of the present Treaty shall be completed as soon as possible, and, in any case, not later than nine months from the date of the coming into force of the present Treaty.

Article XVIII. To effect the reimbursement under Article XV of the present Treaty, China shall deliver to Japan simultaneously with the completion of the transfer of the Railway properties, Chinese Government Treasury Notes, secured on the properties and revenues of the Railway, and running for a period of fifteen years, but redeemable, whether in whole or in part, at the option of China, at the end of five years from the date of the delivery of the said Treasury Notes, or at any time thereafter upon six months' previous notice.

Article XIX. Pending the redemption of the said Treasury Notes under the preceding Article, the Government of the Chinese Republic will select and appoint, for so long a period as any part of the said Treasury Notes shall remain unredeemed, a Japanese subject to be Traffic Manager, and another Japanese subject to be the Chief Accountant jointly with the Chinese Chief Accountant and with co-ordinate functions.

These officials shall all be under the direction, control and supervision of the Chinese Managing Director, and removable for cause.

Article XX. Financial details of a technical character relating to the said Treasury Notes, not provided for in this Section, shall be determined in common accord between the Japanese and Chinese authorities as soon as possible, and, in any case, not later than six months from the date of the coming into force of the present Treaty.

Section VI

Extensions of the Tsingtao-Tsinanfu Railway

Article XXI. The concessions relating to the two extensions of the Tsingtao-Tsinanfu Railway, namely, the Tsinanfu-Shunteh and the Kaomi-Hsuchowfu lines, shall be made open to the common activity of an international financial group, on terms to be arranged between the Government of the Chinese Republic and the said group.

Section VII

Mines

Article XXII. The mines of Tsechwan, Fangtze, and Chinlingchen, for which the mining rights were formerly granted by China to Germany, shall be handed over to the company to be formed under a special charter of the Government of the Chinese Republic, in which the amount of Japanese capital shall not exceed that of the Chinese capital.

The mode and terms of such arrangement shall be determined by the Joint Commission provided for in Article II of the present Treaty.

Section VIII

Opening of the Former German Leased Territory of Kiaochow

Article XXIII. The Government of Japan declares that it will not seek the establishment of an exclusive Japanese settlement, or of an international settlement, in the former German Leased Territory of Kiaochow.

The Government of the Chinese Republic, on its part, declares that the entire area of the former German Leased Territory of Kiaochow will be opened to foreign trade, and that foreign nationals will be permitted freely to reside and to carry on commerce, industry and other lawful pursuits within such area.

Article XXIV. The Government of the Chinese Republic further declares that vested rights lawfully and equitably acquired by foreign nationals in the former German Leased Territory of Kiaochow, whether under the German régime or during the period of the Japanese administration, will be respected.

All questions relating to the status or validity of such vested rights acquired by the Japanese subjects or Japanese companies shall be adjusted by the Joint Commission provided for in Article II of the present Treaty.

Section IX

Salt Industry

Article XXV. Whereas the salt industry is a Government monopoly in China, it is agreed that the interests of Japanese subjects or Japanese companies actually engaged in the said industry along the coast of Kiaochow Bay shall be purchased by the Government of the Chinese Republic for fair compensation, and that the exportation to Japan of the quantity of salt produced by such industry along the said coast is to be permitted on reasonable terms.

Arrangements for the above purposes, including the transfer of the said interest to the Government of the Chinese Republic, shall be made by the Joint Commission provided for in Article II of the present Treaty. They shall be completed as soon as possible, and, in any case, not later than six months from the date of the coming into force of the present Treaty.

Section X

Submarine Cables

Article XXVI. The Government of Japan declares that all the rights, title and privileges concerning the former German submarine cables between Tsingtao and Chefoo and between Tsingtao and

Shanghai are vested in China, with the exception of those portions of the said two cables which have been utilized by the Government of Japan for the laying of a cable between Tsingtao and Sasebo; it being understood that the question relating to the landing and operation at Tsingtao of the said Tsingtao-Sasebo cable shall be adjusted by the Joint Commission provided for in Article II of the present Treaty, subject to terms of the existing contracts to which China is party.

Section XI

Wireless Stations

Article XXVII. The Government of Japan undertakes to transfer to the Government of the Chinese Republic the Japanese wireless stations at Tsingtao and Tsinanfu, for fair compensation for the value of these stations, upon the withdrawal of the Japanese troops at the said two places, respectively.

Details of such transfer and compensation shall be arranged by the Joint Commission provided for in Article II of the present Treaty.

Article XXVIII. The present Treaty (including the Annex thereto) shall be ratified, and the ratifications thereof shall be exchanged at Peking as soon as possible, and not later than four months from the date of its signature.

It shall come into force from the date of the exchange of ratifications.

In witness whereof, the respective Plenipotentiaries have signed the present Treaty in duplicate, in the English language, and have affixed thereto their seals.

Done at the city of Washington this fourth day of February, One Thousand Nine Hundred and Twenty-two.

Annex

I

Renunciation of Preferential Rights

The Government of Japan declares that it renounces all preferential rights with respect to foreign assistance in persons, capital and material stipulated in the Treaty of March 6, 1898, between China and Germany.

II

Transfer of Public Properties

It is understood that public properties to be transferred to the Government of the Chinese Republic under Article V of the present

Treaty include (1) all public works, such as roads, water-works, parks, drainage and sanitary equipment, and (2) all public enterprises, such as those relating to telephone, electric light, stockyard and laundry.

The Government of the Chinese Republic declares that in the management and maintenance of public works to be so transferred to the Government of the Chinese Republic, the foreign community in the former German Leased Territory of Kiaochow shall have fair representation.

The Government of the Chinese Republic further declares that, upon taking over the telephone enterprise in the former German Leased Territory of Kiaochow, it will give due consideration to the request from the foreign community in the said Territory for such extensions and improvements in the telephone enterprise as may be reasonably required by the general interests of the public.

With respect to public enterprises relating to electric light, stockyard and laundry, the Government of the Chinese Republic, upon taking them over, shall re-transfer them to the Chinese municipal authorities of Tsingtao, which shall, in turn, cause commercial companies to be formed under Chinese laws for the management and working of the said enterprises, subject to municipal regulation and supervision.

III

Maritime Customs at Tsingtao

The Government of the Chinese Republic declares that it will instruct the Inspector General of the Chinese Maritime Customs (1) to permit Japanese traders in the former German-Leased Territory of Kiaochow to communicate in the Japanese language with the Custom House of Tsingtau; and (2) to give consideration, within the limits of the established service regulations of the Chinese Maritime Customs, to the diverse needs of the trade of Tsingtao, in the selection of suitable staff for the said Custom House.

IV

Tsingtao-Tsinanfu Railway

Should the Joint Railway Commission provided for in Article XVI of the present Treaty fail to reach an agreement on any matter within its competence, the point or points at issue shall be taken up by the Government of Japan and the Government of the Chinese Republic for discussion and adjustment by means of diplomacy.

In the determination of such point or points, the Government of Japan and the Government of the Chinese Republic shall, if necessary, obtain recommendations of experts of a third Power or Powers who shall be designated in common accord between the two Governments.

V

Chefoo-Weihsien Railway

The Government of Japan will not claim that the option for financing the Chefoo-Weihsien Railway should be made open to the common activity of the International Financial Consortium, provided that the said Railway is to be constructed with Chinese capital.

VI

Opening of the Former German Leased Territory of Kiaochow

The Government of the Chinese Republic declares that, pending the enactment and general application of laws regulating the system of local self-government in China, the Chinese local authorities will ascertain the views of the foreign residents in the former German Leased Territory of Kiaochow in such municipal matters as may directly affect their welfare and interests.

T. Kato
K. Shidehara
M. Hanihara
Sao-Ke Alfred Sze
V. K. Wellington Koo
Chung-Hui Wang

APPENDIX XVII

Agreed Terms of Understanding Recorded in the Minutes of the Japanese and Chinese Delegations Concerning the Conclusion of the Treaty for the Settlement of Outstanding Questions Relative to Shantung, February 4, 1922

I. Transfer of Public Properties

1. Japanese subjects will be permitted, subjected to the provisions of Chinese law, to become members or shareholders of any of the commercial companies to be formed with respect to public enterprises mentioned in Paragraph 4 of Annex II of the Treaty.

II. Withdrawal of Japanese Troops

2. After the withdrawal of the Japanese troops provided in Articles IX–XI of the Treaty, no Japanese military force of any kind will remain in any part of Shantung.

III. Tsingtao-Tsinanfu Railway

3. All light railways constructed by Japan in Shantung and all properties appurtenant thereto shall be considered as part of the properties of the Tsingtao-Tsinanfu Railway.

4. The telegraph lines along the Railway shall also be considered as part of the Railway properties.

5. The Chinese authorities, upon taking over the Railway, shall have full power and discretion to retain or to remove the present employees of Japanese nationality in the service of the Railway. In replacing such employees, reasonable notice shall be given before the date of the transfer of the Railway. Detailed arrangements regarding the replacements to take effect immediately on the transfer of the Railway are to be made by the Joint Railway Commission provided for in Article XVI of the Treaty.

6. The entire subordinate staff of the Japanese Traffic Manager and the Japanese Chief Accountant of the Railway is to be appointed by the Chinese Managing Director. After two years and a half from the date of the transfer of the Railway, the Chinese Government may appoint an Assistant Traffic Manager of Chinese nationality for the period of two years and a half, and such Chinese Assistant Traffic Manager may likewise be appointed at any time upon notice being given for the redemption of the Treasury Notes under Article XVIII of the Treaty.

7. The Chinese Government is under no obligation to appoint Japanese subjects as members of the subordinate staff above mentioned.

8. The redemption of the Treasury Notes under Article XVIII of the Treaty will not be effected with funds raised from any source other than Chinese.

9. The Chinese Government will ask the Japanese Government for such information as may be useful in making the selection of the Japanese Traffic Manager and the Japanese Chief Accountant of the Railway.

10. All questions relating to the existing contracts or commitments made by the Japanese authorities in charge of the Railway shall be settled by the Joint Railway Commission; and, prior to the transfer of the Railway, the said Japanese authorities will not make any new contracts or commitments calculated to be harmful to the interests of the Railway.

IV. Opening of the Former German Leased Territory of Kiaochow

11. The term "lawful pursuits" used in Article XXIII of the Treaty shall not be so constructed as to include agriculture, or any enterpr se prohibited by Chinese law or not permitted to foreign nationals under the treaties between China and foreign Powers, it being understood that this definition shall be without prejudice to the question of the salt industry provided for in Article XXV of the Treaty or to any question relating to vested rights which shall be determined in accordance with Article XXIV of the Treaty.

V. Post Offices

12. All the Japanese Post Offices outside of the former German-Leased Territory of Kiaochow shall be withdrawn simultaneously with the transfer of the Tsingtao-Tsinanfu Railway, if such transfer shall take place before January 1, 1923, and, in any case, not later than the said date.

13. All the Japanese Post Offices within the former German Leased Territory of Kiaochow shall be withdrawn simultaneously with the transfer of the administration of the said Territory.

VI. Claims

14. The omission of any reference in the Treaty to the question of claims which Chinese citizens may have against the Japanese authorities or the Japanese subjects, for the restitution of real property in Shantung or for damages to the persons and property of Chinese citizens in Shantung shall not prejudice such claims.

15. The Chinese authorities shall furnish the Japanese authorities with a list of such claims together with all available evidence in support of each claim. Justice shall be done through diplomatic channel as regards the claims against the Japanese authorities, and through ordinary judicial procedure as regards the claims against Japanese subjects. With respect to the latter class of claims, the investigation into actual facts of each case may, if necessary, be conducted by Joint Commission of Japanese and Chinese officials, in equal number, to be specially designated for that purpose.

16. The Japanese Government shall not be held responsible for any damages which may have been directly caused by military operations of Japan during the late war.

T. K.	S. A. S.
K. S.	V. K. W. K.
M. H.	C. H. W.

APPENDIX XVIII

Agreement on Detailed Arrangements for the Railway Involved in Outstanding Questions Relative to Shantung, December 5, 1922

The Governments of Japan and China, in order to effect detailed arrangements for the transfer of, and compensation for, the Railway in accordance with the Treaty for the Settlement of Outstanding Questions relative to Shantung, signed at Washington on the fourth day of the second month of the eleventh year of Taisho, or the fourth day of the second month of the eleventh year of the Chinese Republic, have appointed their respective Commissioners to form a Joint Railway Commission provided for in the said Treaty, that is to say :

The Government of Japan :

Yukichi Obata, Envoy Extraordinary and Minister Plenipotentiary ;
Masanosuke Akiyama, Chief of the Tsingtao Civil Administration ; and
Takuichi Omura, Engineer of the Railway Department ;

The Government of China :

Chengting Thomas Wang, Director-General of the Rehabilitation of Shantung Rights ;
Chih-chang Lao, Vice-Minister of Communications ;
Meng-hsiung Lu, Councilor to the Department of Communications ; and
Te-ching Yen, Engineer-in-Chief of the Department of Communications ;

Who have met at Peking and agreed upon the following Articles :

Section I

Transfer of the Kiaochow-Tsinanfu Railway

Article I. Japan shall, in accordance with the provisions of Article XIV, of the Treaty for the Settlement of Outstanding Questions relative to Shantung, transfer to China the Kiaochow-Tsinanfu Railway and its branches, together with all properties appurtenant thereto, at noon on the first day of the first month of the twelfth year of Taisho, or the first day of the first month of the twelfth year of the Chinese Republic.

Article II. The transfer of the Railway properties mentioned in the preceding Article shall be carried out by the Japanese and Chinese Transfer Committees.

The said Committee shall complete their work within one month of the day of the transfer of the Railway.

Article III. All the documents, archives, registers, plans, title-deeds, etc., belonging to the Railway, shall be transferred within the periods specified in the second paragraph of the preceding Article.

Section II

Compensation for the Kiaochow-Tsinanfu Railway

Article IV. The value of the Railway properties to be reimbursed by the Government of China to the Government of Japan under Artiele XV of the Treaty of the Settlement of Outstanding Questions Relative to Shantung shall be forty million Gold Yen in Japanese currency.

Article V. The amount of money mentioned in the preceding Article shall be delivered in Treasury Notes to the Government of Japan. The total amount of the face value of the Treasury Notes shall be the same amount as is mentioned in the preceding Article.

Article VI. The Treasury Notes shall be styled "Kiaochow-Tsinanfu Railway Treasury Notes."

Article VII. The Treasury Notes shall be issued in two denominations of one hundred thousand Gold Yen and one million Gold Yen respectively and to such number as is required.

Article VIII. The Treasury Notes shall bear interest at six per cent per annum.

Article IX. The Treasury Notes shall be secured on the properties and incomes of the Kiaochow-Tsinanfu Railway.

The above-mentioned securities shall not be pledged for any domestic or any other foreign loan except when, in case of the flotation of a domestie loan by the Chinese Government for the redemption of the said Treasury Notes, a previous agreement shall have been reached between the Governments of Japan and China.

Article X. The Government of China agree that the principal and interest of the Treasury Notes shall be paid off with the incomes of the Kiaochow-Tsinanfu Railway, and that in case such incomes are not sufficient to meet them, the deficit shall be paid from other sources of revenue.

Article XI. The interest of the Treasury Notes shall be paid every six months beginning from the date of the delivery of such Notes.

Article XII. The Government of China shall exempt from all public imposts the Treasury Notes and coupons as well as the payment and receipt of the principal and interest of the said Notes.

Article XIII. The Government of Japan, after the Treasury Notes have been delivered, can freely at their convenience transfer the said Notes to others whether in whole or in part.

Article XIV. The place for the payment of the principal and interest of the Treasury Notes shall be at Tokyo, and the Yokohama Specie Bank shall be designated to handle the business connected with such payment. In case the place of such payment (which shall in any case be either in Japan or China) or the designated bank should be changed at the convenience of the Government of Japan, they shall confer with the Government of China.

With regard to the method of making remittance to the bank dealing with the payment of principal and interest, the Government of China shall draw a bill of exchange through any bank of their free choice in respect to the remittance of the principal, but in regard to the remittance of the interest, through, in principle, either the Tsingtao Branch or the Tsinanfu Branch of the Yokohama Specie Bank, provided, however, that if the rate of exchange of any other bank should be lower, the Government of China may draw such a bill through it.

Article XV. The incomes of the Railway shall, before the full payment of the principal and interest of Treasury Notes, be deposited in the Tsingtao Branch or the Tsinanfu Branch of the Yokohama Specie Bank; provided, however, that when an amount equivalent to the monthly installment of the interest is laid by every month in the said Bank out of the incomes of the Railway, the remainder may be deposited in any other reliable bank which may be chosen by the Director of the Administration Bureau of the Railway.

The withdrawal of any bank deposit of the Railway shall require the signatures of both the Japanese and Chinese Chief Accountants.

Article XVI. The Treasury Notes, with coupons attached payable semi-annually, shall designate the mark, number, date of delivery, signature and seal of the representatives of the Chinese Government, amount, rate of interest, term of redemption, securities, the Chinese Government's guarantee of payment, mode of paying principal and interest, the bank concerned and any other matters necessary for the exercise of their rights by the holders of the Notes.

Article XVII. The expenses for the issue of the Treasury Notes shall be met by the Government of China.

Article XVIII. The Government of China pending the issue of the Treasury Notes proper, shall issue and deliver provisional notes.

In witness whereof, the Japanese and Chinese Commissioners have signed the present Agreement in duplicate in the Japanese

and Chinese languages and have thereunto affixed their seals, one copy in Japanese and the other in Chinese to be kept by each side of the Commissioners.

Yukichi Obata (L.S.)	Cheng-ting Thomas Wang (L.S.)
Masanosuke Akiyama (L.S.)	Chih-chang Lao (L.S.)
Takuichi Omura (L.S.)	Meng-hsiung Lu (L.S.)
	Te-ching Yen (L.S.)

December 5, eleventh year of Taisho, or December 5, eleventh year of the Chinese Republic.

APPENDIX XIX

Agreed Terms of Understanding Concerning Agreement on Detailed Arrangement for the Railway Involved in Outstanding Questions Relative to Shantung, December 5, 1922

1. The Railway properties to be transferred under Article I of the present Agreement shall include all the properties belonging at present to the Railway Bureau (viz., land, structures, buildings, etc., transferred from the Civil Administration Bureau, Communications Bureau, Army Bureau, and others) except where stipulated otherwise.

2. The cost of the locomotives manufactured by the Kawasaki Zosensho, to be delivered during the third month of the twelfth year of Taisho, is included in the compensation for the Railway.

3. If, in the case of the second paragraph of Article XIV of the present Agreement, a delay is caused or remittance to the place of payment is not effected without any reasonable cause on account of the remittance having been made through a bank other than the Tsingtao or the Tsinanfu Branch of the Yokohama Specie Bank, the remittance shall thereafter be made under any circumstances through either Branch of the said Bank : if likewise a delay is caused or payment is not effected by either Branch of the said Bank, the remittance shall thereafter be made through any other bank.

4. The continuation or otherwise in future of contracts and agreements concluded by the competent Japanese railway authorities and other questions relating thereto shall be settled by the Japanese and Chinese Transfer Committees.

5. Any monetary rights acquired and liabilities incurred during the period of Japan's control of the Kiaochow-Tsinanfu Railway, and remaining unsettled on the date of its transfer shall all be taken care of by the Government of Japan.

The settlement of the monetary right and liabilities mentioned in the preceeding paragraph and guarantee money, securities and retail, of the contracting parties, etc., shall be agreed upon by the Japanese and Chinese Transfer Committees.

6. The handling of the receipts and disbursements of the Railway and the method of management during the period of its transfer shall be agreed upon by the Japanese and Chinese Transfer Committees.

7. The Government of China declares that in regard to the present employees of the Shantung Railway whose continued service is desired by the Government of China, the decision will be taken as soon as possible, in any case within one month of the date when the transfer of the Railway shall have begun and while the employees are engaged in the work of such transfer at their respective present posts.

The Government of China shall grant at the time of their dismissal allowances corresponding uniformly to one month's salaries to the employees dismissed from the service as a result of the above-mentioned decision taken by the Government of China.

The Joint Railway Commission agree that detailed arrangements for a change of personnel to be effected immediately on the transfer of the Railway shall be made by the Japanese and Chinese Transfer Committees.

Yukichi Obata (L.S.)	Cheng-ting Thomas Wang (L.S.)
Masanosuke Akiyama (L.S.)	Chih-chang Lao (L.S.)
Takuichi Omaura (L.S.)	Meng-hsiung Lu (L.S.)
	Te-ching Yen (L.S.)

December 5, eleventh year of Taisho, or December 5, eleventh year of the Chinese Republic.

APPENDIX XX

Agreements Resulting from the Conversations Between the Chinese and Japanese Representatives in Regard to the Shantung Question, December 5, 1922

I. The Former German Leased Territory of Kiaochow

1. Japan shall restore to China the former German leased territory of Kiaochow.

2. The Governments of Japan and China shall each appoint a commission with powers to make and carry out detailed arrangements relating to the transfer of the administration and of public

property in the said territory, and to settle other matters equally requiring adjustment. For such purposes the Japanese and Chinese commissions shall meet immediately upon the coming into force of the present agreement.

3. The said transfer and adjustment shall be completed as soon as possible, and, in any case, not later than six months from the date of the coming into force of this agreement.

4. The Japanese Government agrees to hand over to the Chinese Government, upon the transfer to China of the administration of the former German-leased territory of Kiaochow, such archives, registers, plans, title deeds, and other documents in possession of Japan, or certified copies thereof, as may be necessary for the said transfer, as well as those that may be useful for the administration by China, after such transfer, of that territory and of the fifty-kilometer zone around Kiaochow Bay.

2. Public Properties

The Government of Japan undertakes to transfer to the Government of China all public properties, including land, buildings, works, or establishments in the leased territory of Kiaochow, whether formerly possessed by the German authorities or purchased or constructed by the Japanese authorities during the Japanese administration of the said territory, save those indicated in Article . . . (par. 3) of this treaty.

In the transfer of such public properties no compensation will be claimed from the Government of China, except (1) for those purchased or constructed by the Japanese authorities, and also (2) for the improvements on or additions to those formerly possessed by the German authorities. With regard to cases under these two categories, the Government of China shall refund a fair and equitable proportion of the expenses actually incurred by the Government of Japan for such properties (specified in (1)) or such improvements or additions (specified in (2)), having regard to the principle of depreciation and continuing value.

It is agreed that such public properties in the leased territory of Kiaochow as are required for the Japanese Consulate to be established in Tsingtao shall be retained by the Government of Japan, and that those required more especially for the benefit of the Japanese community, including public schools, shrines, and cemeteries, shall be left in the hands of the said community.

Details of such matters shall be arranged by the joint commission provided for in Article . . . of this treaty.

3. Japanese Troops

The Japanese troops, including gendarmes, now stationed along the Tsingtao-Tsinanfu Railway and its branches shall be withdrawn as soon as the Chinese police or military force shall have been sent to take over the protection of the railway.

The disposition of the Chinese police or military force and the withdrawal of the Japanese troops under the foregoing provisions may be effected in sections. The date of the completion of such process for each section shall be arranged in advance between the competent authorities of Japan and China. The entire withdrawal of such Japanese troops shall be effected if possible within three months, and, in any case, not later than six months from the date of the signature of the present agreement.

The Japanese garrison at Tsingtao shall be completely withdrawn simultaneously, if possible, with the transfer of the administration of the leased territory of Kiaochow to China, and in any case not later than 30 days from the date of such transfer.

4. The Maritime Customs

(1) It is agreed that upon the coming into force of the present treaty the custom-house of Tsingtao shall be made an integral part of the Chinese maritime customs.

(2) It is understood that the provisional agreement of August 6, 1915, between Japan and China relative to the maritime customs office of Tsingtao will cease to be effective upon the coming into force of the present treaty.

5. The Tsingtao-Tsinanfu Railway

Japan shall transfer to China the Tsingtao-Tsinanfu Railway and its branches, together with all the properties appurtenant thereto, including wharves, warehouses, and other similar properties.

China on her part undertakes to reimburse to Japan the actual value of the railway properties mentioned in the preceding paragraph. The actual value to be so reimbursed shall consist of the sum of 53,406,141 gold marks (which is the assessed value of such portion of the said properties as was left behind by the Germans), or its equivalent, plus the amount which Japan, during her administration of the railway, has actually expended for permanent improvements on or additions to the said properties, less a suitable allowance for depreciation. It is understood that no charge will be made with respect to the wharves, warehouses, and other similar properties mentioned in paragraph 1 of this article, except for such permanent improvements on or additions to them as may have

been made by Japan during her administration of the railway, less a suitable allowance for depreciation.

The Government of Japan and the Government of China shall each appoint three commissioners to form a joint railway commission, with powers to appraise the actual value of the railway properties on the basis defined in the preceding paragraph, and to arrange the transfer of the said properties.

Such transfer shall be completed as soon as possible, and, in any case, not later than nine months from the date of the coming into force of the present agreement.

To effect the reimbursement under paragraph 2 of this article, China shall, simultaneously with the completion of the transfer of the railways properties, deliver to Japan Chinese Government treasury notes, secured on the properties and revenues of the railway, and running for a period of 15 years, but redeemable at the option of China at the end of 5 years from the date of the delivery of the treasury notes, or at any time thereafter upon six months' previous notice.

Pending the redemption of the said treasury notes, the Chinese Government will select and appoint, for so long a period as the said notes remain unredeemed, a Japanese subject to the post of traffic manager and another Japanese subject to the chief accountant jointly with the Chinese chief accountant with coördinate functions. These officials shall all be under the direction, control, and supervision of the Chinese managing director, and removable for cause.

Financial details of a technical character relating to the said treasury notes, not provided for in this article, shall be determined in mutual accord between the Japanese and Chinese authorities as soon as possible and, in any case, not later than six months from the date of the coming into force of the present agreement.

6. The Extension of the Tsingtao-Tsinanfu Railway

It is agreed that the concessions relating to the two extensions of the Tsingtao-Tsinanfu Railway, namely, the Tsinanfu-Shunteh and the Kaomi-Hsuchowfu lines, will be thrown open for the common activity of an international financial group on terms to be arranged between the Chinese Government and the said group.

7. Mines

The mines of Tsechuan, Fangtse, and Chinlingchen, for which the mining rights were formerly granted by China to Germany, shall be handed over to a company to be formed by a special charter of the Chinese Government, in which the Japanese capital may not exceed the amount of the Chinese capital.

The mode and terms of such arrangement shall be determined by the Chinese and Japanese commissions which are to be appointed for that purpose and which shall meet immediately upon the coming into force of the present agreement.

8. Opening of the Former Leased German Territory

The Japanese Government declares that it has no intention of seeking the establishment of an exclusive Japanese settlement or of an international settlement in Tsingtao.

The Chinese Government, on its part, declares that the entire area of the former German leased territory of Kiaochow will be open to foreign trade and that foreigners will be permitted freely to reside and to carry on commerce, industry, and other lawful pursuits within such area.

The vested rights lawfully and equitably acquired by foreign nationals in said area, whether under the German régime or during the Japanese military occupation, will be respected.

All questions relating to the status or validity of such vested rights acquired by Japanese nationals shall be arranged by the Sino-Japanese joint commission.

9. Salt Industry

Whereas the salt industry is a Government monopoly in China, it is agreed that the interest of Japanese companies or Japanese nationals actually engaged in the said industry along the coast of the Kiaochow Bay are to be purchased by the Chinese Government on payment of fair compensation and that exportation to Japan of a quantity of salt produced by the said industry along the said coast is to be permitted on reasonable terms. Arrangements for the above purposes, including the transfer of the said interest to the Chinese Government, shall be completed by the Chinese and the Japanese commissions as soon as possible and in any case not later than six months from the date of the coming into force of the present agreement.

10. Submarine Cables

Japan declares that all the rights, title, and privileges concerning former German submarine cables between Tsingtao and Chefoo and between Tsingtao and Shanghai are vested in China, with the exception of those portions of the two said two cables which have been utilized by the Japanese Government for the laying of a cable between Tsingtau and Sasebo; it being understood that the question

relating to the landing and operation at Tsingtao of the said Tsingtao-Sasebo cable shall be arranged by the Chinese and Japanese commissions, subject to the terms of the existing contracts, to which China is a party.

11. Wireless Stations

The Japanese wireless stations at Tsingtao and Tsinanfu shall be transferred to China upon the withdrawal of the Japanese troops at those two places, respectively, with fair compensation for the value of these stations.

The details of such transfer and compensation shall be arranged by the Chinese and Japanese commissions.

Annexes

I. Preferential Rights

Japan declares that she renounces all preferential rights with regard to foreign assistance in persons, capital, and material stipulated in the Sino-German treaty of March 6, 1898.

II. Public Enterprises

Enterprises relating to electric light, telephone, stockyard, etc., shall be handed over to the Chinese Government, with the understanding that the stockyard, electric light, and laundry enterprises are, in turn, to be handed over to the municipal government of Tsingtao, which will form Chinese corporations in conformity with the Chinese company law to manage them under municipal supervision and regulations.

III. Telephones

The Japanese Government agrees to turn over to the Chinese Government the telephone enterprise in the former German leased territory of Kiaochow.

As regards such telephone enterprises, the Chinese Government will give due consideration to request from the foreign community at Tsingtao for such extensions and improvements as may be reasonably required by the general interest of the public.

IV. Public Works

The Chinese Government declares that in the management and maintenance of the public works in Tsingtao, such as roads, waterworks, parks, drainage, sanitary equipment, etc., handed

over to the Chinese Government by the Japanese Government, the foreign community in Tsingtao shall have fair representation.

IV. Maritime Customs

The Chinese Government declares that it will move the Inspector General of the Chinese maritime customs to permit the Japanese traders at Tsingtao to communicate with the said customs in the Japanese language; and, in the selection of suitable staff for the Tsingtao customs, to give consideration within the limits of its established service regulations to the diverse needs of the trade of Tsingtao.

VI. The Tsingtao-Tsinanfu Railway

Should the joint railway commission fail to reach an agreement on any of the matters intrusted to its charge, the points at issue shall be taken up by the two Governments for discussion and adjustment by means of diplomacy.

In the determination of such points the two Governments shall, if necessary, obtain recommendations of an expert or experts of a third power or powers, who shall be designated in mutual agreement with each other.

VII. Extension of the Tsingtao-Tsinanfu Railway

The Japanese Government has no intention of claiming that the option for the construction of the Chefoo-Weihsien Railway should be thrown open for the common activity of the international financial consortium if that railway is to be constructed with Chinese capital.

VIII. Opening of the Former Leased Territory

The Chinese Government declares that, pending the enactment and general application of laws regulating the system of local self-government in China, the Chinese local authorities will ascertain the views of the foreign residents in the former German-leased territory of Kiaochow in such municipal matters as may directly affect their welfare and interest.

Understandings Recorded in the Minutes

The Tsingtao-Tsinanfu Railway

(1) It is understood that, on taking over the railway, the Chinese authorities shall have full power and discretion to continue or remove the present employees of Japanese nationality in the

service of the railway, and that reasonable notice may be given before the date of transfer of the railway. Detailed arrangements regarding the replacements to take effect immediately on the transfer of the railway to China are to be made by the Chinese and Japanese authorities.

(2) It is understood (1) that the entire subordinate staff of the Japanese traffic manager and of the Japanese chief accountant are to be appointed by the Chinese managing director; and (2) that after two years and a half from the date of the transfer of the railway, the Chinese Government may appoint an assistant traffic manager of Chinese nationality for the period of two years and a half, and that such assistant Chinese traffic manager may also be appointed at any time after six months' notice for the redemption of the treasury notes is given.

(3) The Japanese delegation declares that Japan has no intention of claiming that China is under any obligation to appoint Japanese nationals as members of the said subordinate staff.

(4) It is understood that the redemption of the said treasury notes will not be effected with funds raised from any source other than Chinese.

APPENDIX XXI

Agreement on General Principles for the Settlement of the Questions Between the Republic of China and the Union of Soviet Socialist Republics, May 31, 1924

The Republic of China and the Union of Soviet Socialist Republics, desiring to re-establish normal relations with each other, have agreed to conclude an agreement on general principles for the settlement of the questions between the two countries, and have to that end named as their Plenipotentiaries, that is to say:

His Excellency the President of the Republic of China:

Vi Kyuin Wellington Koo

The Government of the Union of Soviet Socialist Republics:

Lev Mikhailovitch Karakhan

Who, having communicated to each other their respective full powers, found to be in good and due form, have agreed upon the following Articles:

Article I. Immediately upon the signing of the present Agreement, the normal diplomatic and consular relations between the two Contracting Parties shall be re-established.

The Government of the Republic of China agrees to take the necessary steps to transfer to the Government of the Union of Soviet Socialist Republics the Legation and Consular buildings formerly belonging to the Tsarist Government.

Article II. The Governments of the two Contracting Parties agree to hold, within one month after the signing of the present Agreement, a Conference which shall conclude and carry out detailed arrangements relative to the questions in accordance with the principles as provided in the following Articles.

Such detailed arrangements shall be completed as soon as possible and, in any case, not later than six months from the date of the opening of the Conference as provided in the preceding paragraph.

Article III. The Governments of the two Contracting Parties agree to annul at the Conference as provided in the preceding Article, all Conventions, Treaties, Agreements, Protocols, Contracts, et cetera, concluded between the Government of China and the Tsarist Government and to replace them with new treaties, agreements, et cetera, on the basis of equality, reciprocity, and justice, as well as the spirit of the Declarations of the Soviet Government of the years of 1919 and 1920.

Article IV. The Government of the Union of Soviet Socialist Republics, in accordance with its policy and Declarations of 1919 and 1920, declares that all Treaties, Agreements, et cetera, concluded between the former Tsarist Government and any third party or parties affecting the sovereign rights or interests of China, are null and void.

The Governments of both Contracting Parties declare that in future neither Government will conclude any treaties or agreements which prejudice the sovereign rights or interests of either Contracting Party.

Article V. The Government of the Union of Soviet Socialist Republics recognizes that Outer Mongolia is an integral part of the Republic of China and respects China's sovereignty therein.

The Government of the Union of Soviet Socialist Republics declares that as soon as the questions for the withdrawal of all the troops of the Union of Soviet Socialist Republics from Outer Mongolia — namely, as to the time-limit of the withdrawal of such troops and the measure to be adopted n the interests of the safety of the frontiers — are agreed upon at the Conference as provided in Article II of the present Agreement, it will effect the complete withdrawal of all the troops of the Union of Soviet Socialist Republics from Outer Mongolia.

Article VI. The Governments of the two Contracting Parties mutually pledge themselves not to permit, within their respective territories the existence and/or activities of any organizations or

groups whose aim is to struggle by acts of violence against the Governments of either Contracting Party.

The Governments of the two Contracting Parties further pledge themselves not to engage in propaganda directed against the political and social systems of either Contracting Party.

Article VII. The Governments of the two Contracting Parties agree to redemarcate their national boundaries at the Conference as provided in Article II of the present Agreement, and pending such redemarcation, to maintain the present boundaries.

Article VIII. The Governments of the two Contracting Parties agree to regulate at the aforementioned Conference the questions relating to the navigation of rivers, lakes, and other bodies of water which are common to their respective frontiers, on the basis of equality and reciprocity.

Article IX. The Governments of the Contracting Parties agree to settle at the aforementioned Conference the question of the Chinese Eastern Railway in conformity with the principles as hereinafter provided:

(1) The Governments of the two Contracting Parties declare that the Chinese Eastern Railway is a purely commercial enterprise.

The Governments of the two Contracting Parties mutually declare that with the exception of matters pertaining to the business operations which are under the direct control of the Chinese Eastern Railway, all other matters affecting the rights of the National and the Local Governments of the Republic of China — such as judicial matters, matters relating to civil administration, military administration, police, municipal government, taxation, and landed property (with the exception of lands required by the said Railway) — shall be administered by the Chinese Authorities.

(2) The Government of the Union of Soviet Socialist Republics agrees to the redemption by the Government of the Republic of China, with Chinese capital, of the Chinese Eastern Railway, as well as all appurtenant properties, and to the transfer to China of all shares and bonds of the said Railway.

(3) The Governments of the two Contracting Parties shall settle at the Conference as provided in Article II of the present Agreement, the amount and conditions governing the redemption as well as the procedure for the transfer of the Chinese Eastern Railway.

(4) The Government of the Union of Soviet Socialist Republics agrees to be responsible for the entire claims of the shareholders, bondholders, and creditors of the Chinese Eastern Railway incurred prior to the Revolution of March 9th, 1917.

(5) The Governments of the two Contracting Parties mutually agree that the future of the Chinese Eastern Railway shall be determined by the Republic of China and the Union of Soviet

Socialist Republics, to the exclusion of any third party or parties.

(6) The Governments of the two Contracting Parties agree to draw up an arrangement for the provisional management of the Chinese Eastern Railway pending the settlement of the questions as provided under Section 3 of the present Article.

(7) Until the various questions relating to the Chinese Eastern Railway are settled at the Conference as provided in Article II of the present Agreement, the rights of the two Governments arising out of the Contract of $\frac{\text{August 27th}}{\text{September 8th}}$, 1896, for the Construction and Operation of the Chinese Eastern Railway, which do not conflict with the present Agreement and the Agreement for the Provisional Management of the said Railway and which do not prejudice China's rights of sovereignty, shall be maintained.

Article X. The Government of the Union of Soviet Socialist Republics agrees to renounce the special rights and privileges relating to all Concessions in any part of China acquired by the Tsarist Government under various Conventions, Treaties, Agreements, et cetera.

Article XI. The Government of the Union of Soviet Socialist Republics agrees to renounce the Russian portion of the Boxer Indemnity.

Article XII. The Government of the Union of Soviet Socialist Republics agrees to relinquish the rights of extraterritoriality and consular jurisdiction.

Article XIII. The Governments of the two Contracting Parties agree to draw up simultaneously with the conclusion of a Commercial Treaty at the Conference as provided in Article II of the present Agreement, a Customs Tariff for the two Contracting Parties in accordance with the principles of equality and reciprocity.

Article XIV. The Governments of the two Contracting Parties agree to discuss at the aforementioned Conference the questions relating to the claims for the compensation of losses.

Article XV. The present Agreement shall come into effect from the date of signature.

In witness whereof, the respective plenipotentiaries have signed the present Agreement in duplicate in the English language and have affixed thereto their seals.

Done at the City of Peking this Thirty-First Day of the Fifth Month of the Thirteenth Year of the Republic of China, which is the Thirty-First Day of May, One Thousand Nine Hundred and Twenty-Four.

(*Seal*) V. K. Wellington Koo

(*Seal*) L. M. Karakhan

Agreement for the Provisional Management of the Chinese Eastern Railway

The Republic of China and the Union of Soviet Socialist Republics mutually recognizing that, in as much as the Chinese Eastern Railway was built with capital furnished by the Russian Government and constructed entirely within Chinese territory, the said Railway is a purely commercial enterprise and that, excepting for matters appertaining to its own business operations, all other matters which affect the rights of the Chinese National and Local Governments shall be administered by the Chinese Authorities, have agreed to conclude an Agreement for the Provisional Management of the Railway with a view to carrying on jointly the management of the said Railway until its final settlement at the Conference as provided in Article II of the Agreement on General Principles for the Settlement of the Questions between the Republic of China and the Union of the Soviet Socialist Republics of May 31, 1924, and have to that end named as their Plenipotentiaries, that is to say :

His Excellency the President of the Republic of China :

Vi Kyuin Wellington Koo

The Government of the Union of Soviet Socialist Republics :

Lev Mikhailovitch Karakhan

Who, having communicated to each other their respective full powers, found to be in good and due form, have agreed upon the following Articles :

Article I. The Railway shall establish, for discussion and decision of all matters relative to the Chinese Eastern Railway, a Board of Directors to be composed of ten persons, of whom five shall be appointed by the Government of the Republic of China and five by the Government of the Union of Soviet Socialist Republics.

The Government of the Republic of China shall appoint one of the Chinese Directors as President of the Board of Directors, who shall also be the Director-General.

The Government of the Union of Soviet Socialist Republics shall appoint one of the Russian Directors as Vice-President of the Board of Directors, who shall also be the Assistant Director General.

Seven persons shall constitute a quorum, and all decisions of the Board of Directors shall have the consent of not less than six persons before they can be carried out.

The Director-General and Assistant Director-General shall jointly manage the affairs of the Board of Directors and they shall both sign all the documents of the Board.

In the absence of either the Director-General or the Assistant Director-General, their respective Governments may appoint another Director to officiate as the Director General or the Assistant Director-General (in the case of the Director-General, by one of the Chinese Directors, and in that of the Assistant Director-General, by one of the Russian Directors).

Article II. The Railway shall establish a Board of Auditors to be composed of five persons, namely, two Chinese Auditors, who shall be appointed by the Government of the Republic of China and three Russian Auditors, who shall be appointed by the Government of the Union of Soviet Socialist Republics.

The Chairman of the Board of Auditors shall be elected from among the Chinese Auditors.

Article III. The Railway shall have a Manager, who shall be a national of the Union of Soviet Socialist Republics, and two Assistant Managers, one to be a national of the Republic of China and the other to be a national of the Union of Soviet Socialist Republics.

The said officers shall be appointed by the Board of Directors and such appointments shall be confirmed by their respective Governments.

The rights and duties of the Manager and the Assistant Managers shall be defined by the Board of Directors.

Article IV. The Chiefs and Assistant Chiefs of the various Departments of the Railway shall be appointed by the Board of Directors.

If the Chief of Department is a national of the Republic of China, the Assistant Chief of Department shall be a national of the Union of Soviet Socialist Republics, and if the Chief of Department is a national of the Union of Soviet Socialist Republics, the Assistant Chief of Department shall be a national of the Republic of China.

Article V. The employment of persons in the various departments of the Railway shall be in accordance with the principle of equal representation between the nationals of the Republic of China and those of the Union of Soviet Socialist Republics.

Article VI. With the exception of the estimates and budgets, as provided in Article VII of the present Agreement, all other matters on which the Board of Directors cannot reach an agreement shall be referred for settlement to the Governments of the Contracting Parties.

Article VII. The Board of Directors shall present the estimates and budgets of the Railway to a joint meeting of the Board of Directors and the Board of Auditors for consideration and approval.

Article VIII. All the net profits of the Railway shall be held by the Board of Directors and shall not be used pending a final settlement of the question of the present Railway.

Article IX. The Board of Directors shall revise as soon as possible the statutes of the Chinese Eastern Railway Company, approved on December 4, 1896, by the Tsarist Government, in accordance with the present Agreement and the Agreement on General Principles for the Settlement of the Questions between the Republic of China and the Union of Soviet Socialist Republics of May 31, 1924, and in any case, not later than six months from the date of the constitution of the Board of Directors.

Pending their revision, the aforesaid statutes, in so far as they do not conflict with the present Agreement on General Principles for the Settlement of the Questions between the Republic of China and the Union of Soviet Socialist Republics, and do not prejudice the rights of sovereignty of the Republic of China, shall continue to be observed.

Article X. The present Agreement shall cease to have effect as soon as the question of the Chinese Eastern Railway is finally settled at the Conference as provided in Article II of the Agreement on General Principles for the Settlement of the Questions between the Republic of China and the Union of Soviet Socialist Republics of May 31, 1924.

Article XI. The present Agreement shall come into effect from the date of signature.

In witness whereof, the respective Plenipotentiaries have signed the present Agreement in duplicate in the English language and have affixed thereto their seals.

Done at the City of Peking this Thirty-First Day of the Fifth Month of the Thirteenth Year of the Republic of China, which is, the Thirty-First Day of May, One Thousand Nine Hundred and Twenty-Four.

(*Seal*) V. K. Wellington Koo
(*Seal*) L. M. Karakhan

Declaration (I)

The Government of the Republic of China and the Government of the Union of Soviet Socialist Republics declare that immediately after the signing of the Agreement on General Principles between the Republic of China and the Union of Soviet Socialist Republics of May 31, 1924, they will reciprocally hand over to each other all the real estate and movable property owned by China and the

former Tsarist Government and found in their respective territories. For this purpose each Government will furnish the other with a list of the property to be so transferred.

In faith whereof, the respective Plenipotentiaries of the Governments of the two Contracting Parties have signed the present Declaration in duplicate in the English language and have affixed thereto their seals.

Done at the City of Peking this Thirty-First Day of the Fifth Month of the Thirteenth Year of the Republic of China, which is, the Thirty-First Day of May, One Thousand Nine Hundred and Twenty-Four.

(*Seal*) V. K. Wellington Koo
(*Seal*) L. M. Karakhan

Declaration (II)

The Government of the Republic China and the Government of the Union of Soviet Socialist Republics hereby declare that it is understood that with regard to the buildings and landed property of the Russian Orthodox Mission belonging as it does to the Government of the Union of Soviet Socialist Republics the question of the transfer or other suitable disposal of the same will be jointly determined at the Conference provided in Article II of the Agreement on General Principles between the Republic of China and the Union of Soviet Socialist Republics of May 31, 1924, in accordance with the internal laws and regulations existing in China regarding property-holding in the inland. As regards the buildings and property of the Russian Orthodox Mission belonging as it does to the Government of the Union of Soviet Socialist Republics at Peking and Patachu, the Chinese Government will take steps to immediately transfer same as soon as the Government of the Union of Soviet Socialist Republics will designate a Chinese person or organization, in accordance with the laws and regulations existing in China regarding property-holding in the inland.

Meanwhile the Government of the Republic of China will at once take measures with a view to guarding all the said buildings and property and clearing them from all the persons now living there.

It is further understood that this expression of understanding has the same force and validity as a general declaration embodied in the said Agreement on General Principles.

In faith whereof, the respective Plenipotentiaries of the Governments of the two Contracting Parties have signed the present Declaration in duplicate in the English language and have affixed thereto their seals.

Done in the City of Peking this Thirty-First Day of the Fifth Month of the Thirteenth Year of the Republic of China, which is, the Thirty-First Day of May, One Thousand Nine Hundred and Twenty-Four.

(*Seal*) V. K. Wellington Koo
(*Seal*) L. M. Karakhan

Declaration (III)

The Government of the Republic of China and the Government of the Union of Soviet Socialist Republics jointly declare that it is understood that with reference to Article IV of the Agreement on General Principles between the Republic of China and the Union of Soviet Socialist Republics of May 31, 1924, the Government of the Republic of China will not and does not recognize as valid any treaty, agreement, et cetera, concluded between Russia since the Tsarist régime and any third party or parties, affecting the sovereign rights and interests of the Republic of China. It is further understood that this expression of understanding has the same force and validity as a general declaration embodied in the said Agreement on General Principles.

In faith whereof, the respective Plenipotentiaries of the Governments of the two Contracting Parties have signed the present Declaration in duplicate in the English language and have affixed thereto their seals.

Done in the City of Peking this Thirty-First Day of the Fifth Month of the Thirteenth Year of the Republic of China, which is, the Thirty-First Day of May, One Thousand Nine Hundred and Twenty-Four.

(*Seal*) V. K. Wellington Koo
(*Seal*) L. M. Karakhan

Declaration (IV)

The Government of the Republic of China and the Government of the Union of Soviet Socialist Republics jointly declare that it is understood that the Government of the Republic of China will not transfer either in part or in whole to any third Power or any foreign organization the special rights and privileges renounced by the Government of the Union of Soviet Socialist Republics in Article X of the Agreement on General Principles between the Republic of China and the Union of Soviet Socialist Republics of May 31, 1924. It is further understood that this expression of understanding has the same force and validity as a general declaration embodied in the said Agreement on General Principles.

In faith whereof, the respective Plenipotentiaries of the Governments of the two Contracting Parties have signed the present Declaration in duplicate in the English language and have affixed thereto their seals.

Done at the City of Peking this Thirty-First Day of the Fifth Month of the Thirteenth Year of the Republic of China, which is, the Thirty-First Day of May, One Thousand Nine Hundred and Twenty-Four.

(*Seal*) V. K. Wellington Koo
(*Seal*) L. M. Karakhan

Declaration (V)

The Government of the Republic of China and the Government of the Union of Soviet Socialist Republics jointly declare that it is understood that with reference to Article XI of the Agreement on General Principles between the Republic of China and the Union of Soviet Socialist Republics of May 31, 1924 :

1. The Russian share of the Boxer Indemnity which the Government of the Union of Soviet Socialist Republics renounces, will after the satisfaction of all prior obligations secured thereon be entirely appropriated to create a fund for the promotion of education among the Chinese people.

2. A special Commission will be established to administer and allocate the said fund. This Commission will consist of three persons, two of whom will be appointed by the Government of the Republic of China and one by the Government of the Union of Soviet Socialist Republics. Decisions of the said Commission will be taken by unanimous vote.

3. The said fund will be deposited as it accrues from time to time in a Bank to be designated by the said Commission.

It is further understood that this expression of understanding has the same force and validity as a general declaration embodied in the said Agreement on General Principles.

In faith whereof, the respective Plenipotentiaries of the Governments of the two Contracting Parties have signed the present Declaration in duplicate in the English language and have affixed thereto their seals.

Done at the City of Peking this Thirty-First Day of the Fifth Month of the Thirteenth Year of the Republic of China, which is, the Thirty-First Day of May, One Thousand Nine Hundred and Twenty-Four.

(*Seal*) V. K. Wellington Koo
(*Seal*) L. M. Karakhan

Declaration (VI)

The Government of the Republic of China and the Government of the Union of Soviet Socialist Republics agree that they will establish equitable provisions at the Conference as provided in Article II of the Agreement on General Principles between the Republic of China and the Union of Soviet Socialist Republics of May 31, 1924, for the regulation of the situation created for the citizens of the Government of the Union of Soviet Socialist Republics by the relinquishment of the rights of extraterritoriality and consular jurisdiction under Article XII of the aforementioned Agreement, it being understood, however, that the nationals of the Government of the Union of Soviet Socialist Republics shall be entirely amenable to Chinese jurisdiction.

In faith whereof, the respective Plenipotentiaries of the Governments of the two Contracting Parties have signed the present Declaration in duplicate in the English language and have affixed thereto their seals.

Done at the City of Peking this Thirty-First Day of the Fifth Month of the Thirteenth Year of the Republic of China, which is, the Thirty-First Day of May, One Thousand Nine Hundred and Twenty-Four.

(*Seal*) V. K. Wellington Koo
(*Seal*) L. M. Karakhan

Declaration (VII)

The Government of the Republic of China and the Government of the Union of Soviet Socialist Republics, having signed the Agreement on General Principles between the Republic of China and the Union of Soviet Socialist Republics of May 31, 1924, hereby agree, in explanation of Article V of the Agreement for the Provisional Management of the Chinese Eastern Railway of the same date, which provides for the principle of equal representation in the filling of posts by citizens of the Republic of China and those of the Union of Soviet Socialist Republics, that the application of this principle is not to be understood to mean that the present employees of Russian nationality shall be dismissed for the sole purpose of enforcing the said principle. It is further understood that access to all posts is equally open to citizens of both Contracting Parties, that no special preference shall be shown to either nationality, and that the posts shall be filled in accordance with the ability and technical as well as educational qualifications of the applicants.

In faith whereof, the respective Plenipotentiaries of the Governments of the two Contracting Parties have signed the present

Declaration in duplicate in the English language and have affixed thereto their seals.

Done at the City of Peking this Thirty-First Day of the Fifth Month of the Thirteenth Year of the Republic of China, which is the Thirty-First Day of May, One Thousand Nine Hundred and Twenty-Four.

(*Seal*) V. K. Wellington Koo
(*Seal*) L. M. Karakhan

Peking, May 31, 1924.

Mr. L. M. Karakhan,
Extraordinary Plenipotentiary Representative
of the Union of Soviet Socialist Republics
to the Republic of China,
Peking.

Dear Mr. Karakhan :

On behalf of my Government, I have the honour to declare that, an Agreement on General Principles for the Settlement of the Questions between the Republic of China and the Union of Soviet Socialist Republics having been signed between us to-day, the Government of the Republic of China will, in the interests of friendship between the Republic of China and the Union of Soviet Socialist Republics, discontinue the services of all the subjects of the former Russian Empire now employed in the Chinese army and police force, as they constitute by their presence or activities a menace to the safety of the Union of Soviet Socialist Republics. If you will furnish my Government with a list of such persons, the authorities concerned will be instructed to adopt the necessary action.

I have the honour to remain,

Yours faithfully,

V. K. Wellington Koo,
Minister for Foreign Affairs of the Republic of China.

May 31, 1924,
Peking.

Dear Dr. Koo,

I have the honour to acknowledge the receipt of the following Note from you under this date :

"On behalf of my Government, I have the honor to declare that, an Agreement on General Principles for the Settlement of the Questions between the Republic of China and the Union of Soviet Socialist Republics having been signed between us to-day, the Government of the Republic of China will, in the interests of friendship between the Republic of China and the Union of Soviet Socialist Republics, discontinue the services of all the subjects of the former Russian Empire now employed in the Chinese army and police force, as they constitute by their presence or activities a menace to the safety to the Union of Soviet Socialist Republics. If you will furnish my Government with a list of such persons, the authorities concerned will be instructed to adopt the necessary action."

In reply, I beg to state, on behalf of my Government, that I have taken note of the same and that I agree to the propositions as contained therein.

I have the honour to be

Very truly yours,

L. M. Karakhan,
Extraordinary Plenipotentiary Representative of the Union of Soviet Socialist Republics to the Republic of China.

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